



Lincoln Investment Planning, LLC  
Investment Advisory Disclosure Brochure

**As of March 30, 2020**

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You may also visit us on the web at <http://www.lincolninvestment.com>.

This Brochure provides information about the qualifications and business practices of Lincoln Investment Planning, LLC, a registered investment adviser with the U.S. Securities and Exchange Commission (SEC). If you have any questions about the contents of this brochure, please contact us at (800) 242-1421. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Furthermore, registration with the SEC does not imply a certain level of skill or training.

Additional information about Lincoln Investment Planning, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

*This section provides us the opportunity to highlight for you the material changes in our investment advisory services and operations since our last Form ADV 2A annual amendment in March 2019. This information is being provided so that you can continue to make informed decisions about your investments with Lincoln Investment Planning, LLC.*

**The following is provided as an update to Lincoln Investment's Form ADV 2A Item 4, Advisory Business, and Appendix I Item 4, Services, Fees and Compensation:**

**Our Fiduciary Role.** Lincoln Investment and your Advisor assume a fiduciary duty to provide to you investment recommendations that are in your best interest. This fiduciary duty extends to all advisory accounts that you maintain with us, but such fiduciary duty does not extend to brokerage or other non-advisory accounts or investments. The level of monitoring in your advisory account will depend on the type of account and the advisory program you select. Where Lincoln has full discretionary trading authority over your Lincoln Investment Asset Management Program advisory account, Lincoln will provide ongoing monitoring and will make changes in your account as deemed necessary. For all other advisory accounts, you and your Advisor will review your advisory account's objectives, investments and performance relative to your objectives and financial situation at least annually to allow your Advisor the opportunity to recommend changing or maintaining the objectives or investments in your account.

**The following is provided as an update to Lincoln Investment's Form ADV 2A Item 5, Fees and Compensation, Other Compensation and Appendix I Item 4, Services, Fees and Compensation:**

**Shareholder Services Fees.** For client assets held on Lincoln Investment's SOLUTIONS Premier platform, Lincoln Investment clears a material portion of its clients' mutual fund transactions through Charles Schwab & Co. ("Schwab") on an omnibus basis. Lincoln Investment has an agreement with Schwab that they will share with us shareholder services fees paid to them by the funds ("Shareholder Services Fees"), to assist us in covering their costs to us as well as the costs and expenses that Lincoln Investment incurs in connection with effecting and executing securities transactions on your behalf, providing to you shareholder services as well as the clearing, custody and sub-accounting involved in carrying your accounts on our SOLUTIONS platform ("Shareholder Services"). Shareholder Services Fees are an asset based portion of the cost built into the internal expense of a fund that is shared with broker dealers and other financial intermediaries who perform services on behalf of the fund and clients. The amount of Shareholder Services Fees that we receive from Schwab averages approximately 0.15% of the SOLUTIONS Premier Assets that we clear through Schwab. A portion of the compensation from Schwab is used to pay direct third-party expenses associated with maintaining your account, specifically, Schwab's omnibus clearing costs and the sub-accounting services provided by DST Market Services, Inc. ("DST"), which average approximately 0.11% of the SOLUTIONS Premier Assets. Lincoln retains the net revenue after Schwab and DST expenses are paid in order to help to offset our internal operational costs of Shareholder Services we perform for you as well as other direct expenses we incur to maintain your account on our proprietary platform. We believe that accepting this revenue to offset our direct and indirect expenses in connection with providing Shareholder Services to you is reasonable and represents additional compensation to us associated with your advisory account(s).

Not all funds available on SOLUTIONS Premier are cleared through Schwab; some are cleared directly with the fund. The decision to clear a mutual fund through Schwab or not clear through Schwab creates a conflict of interest to Lincoln Investment to choose the most advantageous clearing arrangement for each fund, based on the anticipated expenses and revenues to Lincoln Investment. Shareholder Services Fees are not paid by all funds and the amount of the Shareholder Services Fees can vary depending on the share class of the fund that is held. For a list of funds available on the SOLUTIONS Premier platform and

whether they are cleared through Schwab or cleared directly, go to <https://www.lincolninvestment.com/disclosures> and select the link for the *Lincoln Investment Solutions Premier Mutual Fund Availability List*. Lincoln Investment mitigates these conflicts by disclosing them to you and by not sharing these fees with your Advisor. Below are the product offering relationships that are cleared directly with the product sponsor and not cleared through Schwab for which we receive revenue based on total assets or total number of accounts.

**Money Market Fund Shareholder Services Fees, Networking Fees and Cash Deposit Administrative Fees.** Lincoln Investment offers the Federated Money Market Funds and the SOLUTIONS Federally Insured Cash Deposit Program as advisory account cash equivalent investment options for SOLUTIONS Premier investors. Lincoln Investment also allocates on a discretionary basis two percent (2%) of the assets in every Lincoln Investment Asset Management Program mutual fund model to Federated Money Market Funds, to provide sufficient liquidity for the quarterly deduction of the advisory fee from the advisory portfolio.

Lincoln receives directly from Federated, on average, approximately 0.30% in Federated Funds Shareholder Services Fees based on our clients' total assets in their money market funds. In addition to the Shareholder Services Fees, Federated pays networking fees calculated on the number of Federated Money Market accounts that we electronically network with them ("Networking Fees".) The Networking Fees received equate to approximately 0.05% on our total assets in their money market funds. Lincoln utilizes this revenue to offset our internal operational costs associated with offering this cash option to you. We believe this revenue is reasonable and in line with industry standards.

The SOLUTIONS Federally Insured Cash Deposit Program is offered in conjunction with StoneCastle Cash Management, LLC. StoneCastle assesses an administrative fee of 0.10% on the monthly Fed Funds Upper Bound (Bloomberg: FDTR) interest rate and Lincoln Investment assesses an administrative fee of 30.00% based on the available StoneCastle rate eligible for our investors' cash deposits (collectively "Administrative Fees"). The interest rate that is credited to all SOLUTIONS Federally Insured Cash Deposit Program assets is the Bloomberg FDTR rate less the Administrative Fees. Lincoln utilizes this revenue to offset our internal operational costs associated with offering this cash option. We believe this revenue is reasonable and in line with industry standards.

The receipt of these Shareholder Service Fees and Administrative Fees by Lincoln Investment is material additional compensation to the firm and creates a conflict of interest to Lincoln Investment to recommend or select these cash equivalent investment options over other cash equivalent investment options that do not pay these fees to us. Other financial services firms and third parties could offer the same or similar money market funds and cash deposit bank options at a lower overall cost to the investor than is available through your Lincoln Investment account, or you could invest directly with the fund provider. Lincoln Investment mitigates these conflicts by disclosing them to you and by not sharing these fees with your Advisor. In addition, your Advisor has the ability to waive the advisory fee on any cash equivalent investment options in SOLUTIONS Premier Custom Client Portfolio, should you request it.

**Total Compensation on Your Advisory Account.** For advisory accounts held on Lincoln Investment's SOLUTIONS Premier platforms, Lincoln Investment retains the above described Shareholder Services Fees revenue, the Federated money market revenue and the Federally Insured Cash Deposit Administrative Fee revenue and we do not refund or offset this revenue against your advisory fees. In 2019, this revenue represented approximately 6.5% of the total revenues for Lincoln Investment. If you are invested in the above described assets, this revenue equates to additional annual compensation to Lincoln Investment of up to approximately 0.16% on your asset value. For example, if the advisory fee you pay Lincoln Investment for your Advisor's services and Lincoln Investment's Asset Management Programs is 1.55%, Lincoln Investment could also earn up to 0.16% on your account assets from these

third party providers, for total compensation to us of 1.71% on your advisory account assets. The receipt of this revenue sharing creates a conflict of interest to Lincoln Investment to recommend our Asset Management Programs, these provider's offerings and our custodial platform over other advisory programs, products and custodians that do not share these fees or that would share lesser amounts.

**Flat Fee Sponsors.** In 2019, the financial support from Flat Fee Sponsors paid to Lincoln Investment, as allocated by assets across all investment advisory assets with Lincoln Investment Planning, LLC and its affiliated investment adviser, Capital Analysts, LLC, did not exceed 1.5% of total revenue for either of the affiliated registered investment advisers and in aggregate was less than one percent of the combined revenue for both affiliated registered investment advisers. We do not believe that these revenues are material. In 2019, Flat Fee Sponsors who compensated Lincoln Investment with a flat fee payment, which is not based on assets, sales or accounts, and offer a fund or advisory program that could be used in your advisory programs, in order from highest to lowest payment were Russell Investments, Meeder Funds, ICON Funds, CLS Investments, JPMorgan Funds, American Funds, Franklin Templeton Group, Clark Capital Management, Lord Abbett, StoneCastle (administers The Federally Insured Cash Deposit Program), Security Benefit Life, Prudential, DoubleLine Funds, Federated Investors Funds, Putnam Investments, and Invesco Investment Services. All offerings by these Flat Fee Sponsors are available on Lincoln Investment's SOLUTIONS and SOLUTIONS Premier platforms.

**Pershing Revenue Sharing and Expense Credit with Lincoln Investment; Money Market and Cash Deposit Fees.** For advisory accounts held on Pershing LLC's platform, Pershing provides a credit against expenses to Lincoln Investment, as introducing broker-dealer, based on the total asset value of all accounts maintained on the Pershing platform and based on the total number of investor accounts on Pershing, pursuant to a written agreement with Pershing LLC. This revenue does not vary with respect to the investment choices/recommendations made in your Pershing account. Lincoln does not refund or offset this revenue sharing against advisory fees paid by clients whose advisory assets are on Pershing. Additionally, Pershing LLC shares revenue with Lincoln Investment through a portion of the Shareholder Service Fee paid by Federated Funds on the Federated Money Market Cash Sweep Options, and a portion of the gross interest rate yield from the Interlink and Dreyfus Bank Cash Deposit Sweep Options that are available to you for investment through us. This revenue compensates Lincoln for the administrative expenses of assisting in the establishment and administration of these money market and cash deposit accounts. Other financial services firms and third parties could offer the same or similar money market sweep options and cash deposit sweep options at a lower overall cost to the investor than is available through your Lincoln Investment account or you could invest directly with the product provider. Overall, the annual revenue and credits received by Lincoln Investment from Pershing represent approximately 1.00% of Lincoln's total revenue and approximately 0.01% additional compensation based on total Lincoln Investment advisory assets on Pershing. For example, this means that if you pay Lincoln Investment an annual advisory fee of 1.00 % on advisory assets, Lincoln Investment is also earning approximately 0.01% on your assets from Pershing, for total compensation of approximately 1.01%. We do not believe this revenue is material to Lincoln Investment. This revenue is not shared with your Advisor. Your Advisor has the ability to waive the advisory fee on all Cash Sweep Options, should you request it. The receipt of revenue sharing with Pershing and expense credits by Pershing creates a conflict of interest to Lincoln Investment to use Pershing as a custodian over other custodians that do not share these fees, do not provide expense credits or that would share lesser amounts.

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#### Brochure Supplement(s) Included:

- Lincoln Investment Wrap Fee Program Brochure (Form ADV Part 2A Appendix I)
- Investment Management & Research Team Brochure Supplement (Form ADV Part 2B)

#### Item 4: Advisory Business

*This section describes our firm, the advisory services we offer, how we tailor your portfolio to your individual needs, which of our advisory services allows you to impose investment restrictions, and the total amount of assets we manage.*

#### **Our Firm**

**Who we are...** Based in the suburbs of Philadelphia, Lincoln Investment Planning, LLC (“Lincoln” or “Lincoln Investment”) was established in 1968 with a focus on the retirement planning needs of educators and employees of non-profit organizations utilizing 403(b) and 457 retirement plans. Lincoln Investment was registered with the SEC as an investment adviser in 1978. Over the years, we have expanded our range of investment advisory services to include individual retirement accounts (IRAs), ERISA plans, and the non-retirement investment and insurance needs of our clients and their businesses.

Lincoln Investment is both a broker-dealer and a SEC registered investment adviser with a network of registered representatives and investment adviser representatives (Advisors) located throughout the United States. Most Advisors are not employees of Lincoln; but independent contractors, contracted to offer and perform the services of Lincoln Investment.

Lincoln Investment is wholly-owned by Lincoln Investment Capital Holdings, LLC, and a Delaware limited liability company. Lincoln Investment is under common ownership and control with Capital Analysts, LLC, a SEC registered investment adviser. Advisors may be dually registered with one or more of these investment advisers and can offer their services. Advisory offerings and pricing vary among the registered investment advisers. We refer to these companies jointly as The Lincoln Investment Companies.

#### **Our Advisory Services**

**What we offer...** Lincoln Investment offers the following investment advisory services. A more detailed description of each service is provided under the corresponding headings below, as well as in Item 5: *Fees and Compensation*.

- I. Your Financial Advisor’s Services: Advisor Consulting, Client Custom Portfolios and Advisor Managed Model Portfolios**
- II. Lincoln Investment Asset Management Programs: Model Portfolios Managed by Lincoln Investment**
- III. Third Party Managed Model and Third Party Custom Portfolios**
- IV. Periodic Investment Consulting**
- V. Financial Planning**
- VI. ERISA Retirement Plan Advice**

In choosing one or more of the services above, your Advisor will work with you to assess your needs and investment objectives. You may be asked to complete a Lincoln Investment confidential investor profile, or a similar questionnaire or application, providing personal and financial information to assist in this assessment. Your Advisor will collect information including, but not limited to, your investment goals, income requirements, time horizon, and tolerance for risk in order to tailor his or her recommendations to your needs and objectives. Our goal is to provide you with the most appropriate investment advisory service or services to help you meet your financial goals.

**Our Fiduciary Role...** Lincoln Investment and your Advisor assume a fiduciary duty to provide to you investment recommendations that are in your best interest. This fiduciary duty extends to all advisory accounts that you maintain with us, but such fiduciary duty does not extend to brokerage or other non-advisory accounts or investments. The level of monitoring in your advisory account will depend on the type of account and the advisory program you select. Where Lincoln has full discretionary trading authority over your Lincoln Investment Asset Management Program advisory account, Lincoln will provide ongoing monitoring and will make changes in your account as deemed necessary. For all other advisory accounts, you and your Advisor will review your advisory account's objectives, investments and performance relative to your objectives and financial situation at least annually to allow your Advisor the opportunity to recommend changing or maintaining the objectives or investments in your account.

Your Advisor and Lincoln Investment offer advisory services on a number of different platforms and custodians. The advisory services available to you and the total cost of the advisory services will differ dependent upon the services provided by your Advisor, and the platform or custodian you choose.

A Wrap Fee Program is an investment advisory program in which you pay one bundled fee to compensate Lincoln Investment and your Advisor for their services *and* to pay the transaction and clearing costs associated with transactions in the your advisory account. The Lincoln Investment Wrap Fee Programs are detailed in the Lincoln Investment Wrap Fee Program Brochure (Form ADV Part 2A Appendix I) attached. You should only choose a Wrap Fee Program if you or your Advisor expect to trade regularly in the account.

#### **I. Your Financial Advisor's Services: Advisor Consulting, Client Custom Portfolios and Advisor Managed Model Portfolios**

Your Advisor's role is to earn and maintain a relationship with you to provide you financial and life planning consultation, as needed by you, as well as investment advice services which include assisting you in the determination of the appropriate investment advisory investments and advisory programs for you, conversing with you on an as-needed or as requested basis, to ensure that the investments and programs continue to meet your stated objectives and needs. Some advisors may also provide supplemental reports on a periodic basis to assist you in evaluating the effectiveness of the investments and advisory program(s). Advisors may provide periodic non-discretionary investment advice to their clients, or certain approved Advisors provide ongoing discretionary management to their clients. Either way, your Advisor has the responsibility to make recommendations or select securities based on your needs and objectives. All advice is geared to meet your risk tolerance, income, any investment restrictions, and tax management objectives, if applicable.

Advisors provide periodic non-discretionary advice to their clients in fee-based Advisor Managed Model Portfolios and Client Custom Portfolios, unless an Advisor has been granted the authority to manage the account on a discretionary basis. For those Advisors who have been granted the authority to manage accounts on a discretionary basis, discretionary authority may be exercised within Advisor Managed Model Portfolios, where your account is managed to the stated objectives of the portfolio, or Client Custom Portfolios, a custom advisor managed portfolio constructed and managed to meet your specific objectives. All advisory accounts will be monitored by the Advisor on an ongoing basis while you are under an investment advisory contract.

Fee-based Advisor Managed Model Portfolios and Client Custom Portfolios may be custodied at Lincoln Investment on its SOLUTIONS Premier platform, or at any one of a number of other approved custodians or institutional platforms, including but not limited to, Charles Schwab & Co., Inc., Fidelity Brokerage Services, LLC, Matrix Trust Company, Pentegra Trust Company, Pershing

LLC, SEI Private Trust Company, Security Benefit, TD Ameritrade Clearing, Inc., TD Ameritrade Trust Company and TIAA. The custodians available to you may depend on your tax type, employer choice, and investment type.

<b><i>Advisor Managed Model Portfolio and Client Custom Portfolio Offerings</i></b>				
<b>Advisory Offering</b>	<b>Discretionary Program</b>	<b>Minimum Investment</b>	<b>Investment Types</b>	<b>Custodian of Assets</b>
Advisor Consulting with Advisor Managed Model Portfolios and/or Client Custom Portfolios	No	At the discretion of the Financial Advisor	Mutual fund only	Lincoln Investment; Matrix Trust Company; Pentegra Trust Company; Security Benefit; TD Ameritrade Trust Company; TIAA
Advisor Consulting with Advisor Managed Model Portfolios and/or Client Custom Portfolios	Varies - Your Advisor can act with discretionary authority, but only if he or she has been (1) approved by Lincoln Investment for discretion; and (2) authorized in writing by you.	At the discretion of the Financial Advisor	General Securities	Charles Schwab & Co., Inc.; Fidelity Brokerage Services, LLC; Pershing LLC; SEI Private Trust Company; TD Ameritrade Clearing, Inc.

Each Advisor follows his or her own investment discipline and may or may not establish a minimum investment amount. The fees charged by Advisors for Model or Custom Portfolios will vary depending on the consultation services, platform utilized and the individual Advisor's fees and services. Most Advisors manage or advise mutual fund-only portfolios, while some may manage or advise portfolios containing stocks, ETFs, ETNs, bonds, or options. Consult with your Advisor to learn more about the advisory services and fees he or she offers.

## **II. Lincoln Investment Asset Management Programs: Model Portfolios Managed by Lincoln Investment**

Lincoln Investment offers a number of in-house managed mutual fund only Asset Management Programs on Lincoln's Solutions Premier platform and Fidelity Investments Institutional Operations Company custodial platform. Lincoln Investment also offers an in-house managed exchange-traded fund (ETF) Asset Management Program on Pershing LLC's custodial platform. See Lincoln's Wrap Fee Brochure for information about the Adaptive Intelligence Models (AIM) ETF Asset Management Program. Lincoln Investment manages variable annuity sub-accounts; however, the variable annuity programs are closed to new investors and contributions. These programs are managed to meet the stated objective of the portfolio, thus the term "Model Portfolio." When you choose a Lincoln Investment Asset Management Program Model Portfolio, you will authorize Lincoln Investment to make discretionary asset allocation decisions in your account based on the discipline and risk level of the Model Portfolio chosen. Lincoln Investment has engaged third party asset managers to provide Lincoln with Model Portfolios in alignment with each model's stated discipline and risk level (Sub-Advisers). Each Sub-Adviser appointed by Lincoln Investment offers various disciplines of investing. Based on information provided by you, your Advisor will make a



recommendation to you as to the Asset Management Program and risk level appropriate for you. Although the management authorization of your account remains with Lincoln, Lincoln Investment relies on the expertise and management disciplines of its Sub-Advisers, when they are engaged, to provide Model Portfolios that are aligned to each model's stated discipline and risk level. Lincoln, however, retains the authority to change Sub-Advisers at any time. If a Sub-Adviser or Model Portfolio ceases to be available or is removed from Lincoln's offerings, Lincoln Investment will notify you in writing and indicate, if appropriate, an alternative Asset Management Program.

<b><i>Lincoln-Managed Model Portfolio Offerings</i></b>				
<b>Discipline</b>	<b>Advisory Offering</b>	<b>Minimum Investment</b>	<b>Investment Types</b>	<b>Custodian of Assets</b>
Strategic	Dividend Income	\$25,000	Mutual fund only	Lincoln Investment
Strategic	Lincoln Strategic	\$10,000	Mutual fund only	Lincoln Investment
Strategic	Lincoln Strategic Vanguard	\$150/ \$5,000/ \$10,000 <sup>1</sup>	Mutual fund only	Lincoln Investment
Strategic	Progressive Asset Management <sup>3</sup>	\$150/ \$10,000 <sup>2</sup>	Mutual fund only	Lincoln Investment; TD Ameritrade Trust Company; TIAA
Tactical	Adaptive Intelligence Models (AIM) Active	\$150/ \$10,000 <sup>2</sup>	Mutual funds (primarily actively managed funds, but passive managed funds can also be utilized)	Lincoln Investment; TD Ameritrade Trust Company; TIAA
Tactical	Adaptive Intelligence Models (AIM) Index	\$150/ \$10,000 <sup>2</sup>	Index funds, (primarily passive managed funds, but active managed funds can also be utilized)	Lincoln Investment
Tactical	Adaptive Intelligence Models (AIM) at Fidelity	N/A	Varies based on Plan Sponsor; Mutual funds or index mutual funds may be used, passive and active	Fidelity Investments Institutional Operations Company

<sup>1</sup> Periodic Investment Plan minimum of \$150 or \$5,000 lump sum investment minimum for a Vanguard fund model with 5 funds; \$10,000 lump sum investment minimum for a Vanguard fund model with greater than 5 funds.

<sup>2</sup> Periodic Investment Plan minimum of \$150 or \$10,000 lump sum investment minimum.

<sup>3</sup> The Progressive Asset Management Program adds additional diversification to your portfolio as your account value meets higher thresholds. For portfolios up to \$25,000, your portfolio is managed using five investment allocations; For portfolios between \$25,000 and \$50,000, your portfolio is managed using eight investment allocations; For portfolios between \$50,000 and \$100,000, your portfolio is managed using twelve investment allocations; For portfolios over \$100,000, your portfolio is managed using fourteen investment allocations.

<b><i>Sub-Advisers to Lincoln-Managed Model Portfolio Offerings (Each Sub-Adviser offers multiple risk level Model Portfolios)</i></b>				
<b>Discipline</b>	<b>Sub-Adviser</b>	<b>Minimum Investment</b>	<b>Investment Types</b>	<b>Custodian of Assets</b>
Strategic	Capital Research and Management Company (American Funds)	\$10,000	Mutual Funds only	Lincoln Investment
Strategic	Russell Investments	\$10,000	Mutual Funds only	Lincoln Investment
Tactical	Advanced Asset Management Advisors, Inc.	\$10,000	Mutual Funds only	Lincoln Investment
Tactical	Calvert Research and Management	\$25,000	Mutual Funds only	Lincoln Investment
Tactical	Clark Capital Management Group (CCMG)	\$150/ \$10,000 <sup>1</sup>	Mutual Funds and Index Funds	Lincoln Investment; TD Ameritrade Trust Company; TIAA
Tactical	CLS Investments	\$10,000	Mutual Funds only	Lincoln Investment
Tactical	DoubleLine Capital LP	\$10,000	Mutual Funds only	Lincoln Investment; TD Ameritrade Trust Company; TIAA
Tactical	Franklin Templeton Investments	\$10,000	Mutual Funds only	Lincoln Investment
Tactical	ICON Advisers, Inc.	\$10,000	Mutual Funds only	Lincoln Investment; TD Ameritrade Trust Company; TIAA
Tactical	J.P. Morgan Investment Management Inc.	\$25,000	Mutual Funds only	Lincoln Investment; TD Ameritrade Trust Company; TIAA
Tactical	Meeder Advisory Services, Inc.	\$10,000	Mutual Funds only	Lincoln Investment

<sup>1</sup>Periodic Investment Plan minimum of \$150 for CCMG Multi-Strategy 50/50 model or \$10,000 lump sum investment minimum, all other CCMG models are \$10,000 lump sum investment minimum only.

You are responsible to notify your Advisor of any changes in your financial situation, risk tolerance or investment objectives, and to let us know of any investment restrictions that you wish to impose so that your Advisor can suggest the appropriate advisory service for you. If you wish to impose investment restrictions, Lincoln-Managed Model Portfolios may not be the appropriate advisory service for you, as they generally cannot be customized to certain investment restrictions.

Please refer to Item 8: *Methods of Analysis, Investment Strategies and Risk of Loss* for a description of the primary investment strategies utilized in Lincoln-Managed Model Portfolios. Lincoln Investment provides investment management solely on mutual funds, exchange-traded funds and/or annuity subaccounts.

### III. Third Party Managed Model and Third Party Custom Portfolios

#### *Co-Adviser*

Lincoln, as Co-Adviser works with third party money managers to provide you with access to their professional investment management services. Neither Lincoln Investment nor your Advisor performs the ongoing discretionary asset management in your portfolio; this is done by the third party money manager. As Co-Adviser, Lincoln Investment, through your Financial Advisor is responsible to work with you to collect all necessary information and documentation and to assist you in selecting the appropriate investment strategy offered by the money manager, and to answer any questions you may have about the money manager or the managed portfolio. In some instances, Lincoln Investment and your Advisor share in a portion of the total advisory fee charged by the third party money manager; in other instances, Lincoln Investment and your Advisor may assess a separate fee for its services in addition to the money manager's fee. Please review your investment advisory agreement and the Form ADV 2A of the third party money manager for further information regarding the advisory fee for your selected manager(s) and the portion of the fee that is paid to Lincoln Investment and your Advisor.

<i>Lincoln as Co-Adviser</i>			
<b>Platform Provider</b>	<b>Third Party Money Managers Offered</b>	<b>Lincoln's Role</b>	<b>Custodian of Assets</b>
AssetMark	AssetMark, Aris and Savos and Various Independent Money Managers– Ask for current approved list of money managers	Assist Client in the Selection and Review of Third Party Money Manager	AssetMark Trust Company; TD Ameritrade Clearing, Inc.; Charles Schwab & Co., Inc.; Pershing LLC
Lockwood Advisors, Inc.	Managed Account Link and Separately Managed Account Program - Ask for current approved list of money managers	Assist Client in the Selection and Review of Third Party Money Manager	Pershing LLC
Morningstar	Morningstar	Assist Client in the Selection and Review of Models	BNY Mellon Investment Servicing Trust (Mutual funds only)
Orion Portfolio Solutions (formerly FTJ FundChoice)	Orion Portfolio Solutions and Various Independent Money Managers– Ask for current approved list of money managers	Assist Client in the Selection and Review of Third Party Money Manager	TD Ameritrade Clearing, Inc.; TD Ameritrade Trust Company
Aspire Financial Services & Pentegra Retirement Services	Ladenburg Thalmann Asset Management; Verify Asset Management	Assist Client in the Selection and Review of Third Party Money Manager	Pentegra Trust Company; Matrix Trust Company
SEI Investment Management Co.	SEI and Various Money Managers offered through SEI's Managed Account Solutions program– ask for current approved list of money managers	Assist Client in the Selection and Review of Third Party Money Manager	SEI Private Trust Company

### *Solicitor*

Advisors and Lincoln may also act as a Solicitor and introduce you to a third party money manager. In Solicitor relationships, we are not acting as a Co-Adviser. For this introduction, the third party money manager will pay Lincoln Investment a Solicitor/Referral Fee, which we will share with your Advisor. This fee, which is typically an ongoing portion of the fee collected from you by the manager, must be disclosed to you at the time of the introduction in a Solicitor Disclosure Statement. In some instances, Lincoln Investment and your Advisor share in the money manager's advisory fee; in other instances, Lincoln Investment may assess a separate fee for our referral in addition to the money manager's fee. Please refer to the Solicitor Disclosure Statement provided to you at the time of the referral to determine the fee we are paid.

Please review the money manager's ADV Part 2A for more information about their advisory fees. Neither Lincoln Investment nor your Advisor performs any fiduciary role with respect to the management of the assets placed with the money manager.

The following table is a list of third party money managers for which Lincoln Investment and your Advisor act as Solicitor for all non-ERISA clients:

<i><b>Third Party Managers For Whom Lincoln Investment Acts as a Solicitor</b></i>	
AssetMark	CLS Investment
Bernstein Private Wealth Management	Meeder Advisory Service
Brinker Capital	

Not all third party independent investment advisers are available to all Advisors or all clients, and are subject to change.

### **IV. Periodic Investment Consulting**

Advisors may, for a fee, provide periodic investment analysis or advice on assets held at a custodian other than a custodian with which Lincoln Investment has an advisory relationship; for example, your 401(k) assets held within your employer's plan. Advisors may assist you in diversifying and risk-adjusting your entire household of investments. You will enter into a separate written Planning Services Agreement before any services are performed. Once the investment analysis or advice is delivered, the Planning Services Agreement ends and your Advisor will be unable to provide to you monitoring of assets that are not held at a custodian with which Lincoln Investment has an advisory relationship. You will need to re-engage with your Advisor for future analysis or advice. Advisors may charge you for these services through a flat or hourly fee.

### **V. Financial Planning**

Advisors may offer comprehensive or limited financial planning services for a fee. Financial planning services may include, but are not limited to, retirement, college, tax, business succession planning or insurance needs analysis, and assistance with estate distribution matters. Financial Planning services are generally provided to you by your Advisor on a flat fee or hourly fee basis. You will enter into a separate written services agreement before any financial services begin. This agreement will describe the services and fees you and your Advisor have agreed upon. Once the planning services are delivered, the Planning Services Agreement ends and your Advisor will be unable to provide to you ongoing monitoring of the plan implementation unless you enter into a

separate advisory agreement with us. Many Advisors have earned professional designations that enhance their qualifications to offer these planning services, but Lincoln Investment does not require the Advisor to maintain a professional designation in order to offer financial planning services. Ask your Advisor about his or her professional designations, or see their Form ADV 2B Supplement which provides their career biographical information and the professional designations earned. Lincoln Investment does not provide tax or legal advice. Please consult with your personal attorney and tax accountant.

## VI. ERISA Retirement Plan Advice

Lincoln Investment and its Advisors provide investment advice to sponsors of ERISA retirement plans, as well as education and enrollment services to eligible participants of the plans. At the plan level, Lincoln Investment assists the responsible plan fiduciary in analysis, selection, and monitoring of investment options made available to plan participants. Lincoln Investment may recommend its Model Portfolios, which are managed on a discretionary basis by Lincoln, a Sub-Advisor, or a Third Party money manager. Advisors of Lincoln Investment may also assist eligible participants of these plans in education and enrollment. Lincoln Investment may also assist the responsible plan fiduciary in the selection of a product sponsor's program or third party platform. A list of approved platforms is below.

<i><b>ERISA Approved Third Party Advisers and Platforms</b></i>	
ADP	OneAmerica
Alerus	Oppenheimer
Alliance Bernstein	PAi – RIA
American Funds – Recordkeeper Direct	PayChex
Ameritas Advantage Elite - Annuity	PenServ
Ascensus	Pershing
Aspire Financial Services	Pinnacle Financial Group
AssetMark Retirement Services	PNC Retirement Solutions
CUNA ( <i>formerly CPI</i> )	Principal Financial
Employee Fiduciary	ProTPA – RIA
Empower Retirement (Great West)	Retirement Plan Advisors
Fidelity Advisors	SBL – Variflex
IFP/Montgomery Retirement Advisors	Securian
Invesco	SEI Private Trust
J. P. Morgan Retirement Link	Spectrum Employee Benefits – RIA
John Hancock	Summit Benefit Solutions – RIA
K Trade	Sunwest Pensions – RIA
Lincoln Financial – Director	The Pacific Financial Group
Manchester Advisors	T. Rowe Price
Mass Mutual	The Standard
Mutual of Omaha	Transamerica
Nationwide	Ubiquity
Newport Group	Voya (ING)

## Assets Under Management

As of December 31, 2019, Lincoln Investment and its Advisors managed or advised over \$13 billion in advisory assets:

- \$7.22 billion in advisory assets on a discretionary basis, and
- \$6.03 billion in advisory assets on a non-discretionary basis

## Item 5: Fees and Compensation

*This section provides to you a description of our advisory fees, how and when these advisory fees are collected, and if refunds are available. Other types of fees and expenses that you may incur are described below in the section titled, "Other Costs That You May Incur." Other compensation that Lincoln Investment and/or your Advisor may receive, which may create a financial conflict of interest, is described in the section titled "Other Compensation to Lincoln Investment and Our Conflicts of Interest."*

For all advisory services offered by Lincoln Investment, the specific manner in which advisory fees are calculated and charged is described in your Investment Advisory Agreement. In your agreement, you also authorize Lincoln Investment to directly debit advisory fees from your account. Advisory fees are in most cases automatically deducted on a quarterly basis in advance from the money market positions or by liquidating assets held within the account. Lincoln Investment may waive or negotiate advisory fees at our sole discretion.

When you pay Lincoln Investment an advisory fee, you may or may not incur transaction costs to sell assets to meet the fee obligation. Be sure to ask your Advisor about the program(s) being considered by you and whether you may incur any transaction costs, or whether there is a Wrap Fee arrangement offered. Additional information regarding transactions costs is described below.

### **I. How You Compensate Your Advisor and Lincoln - Advisor Consulting, Client Custom Portfolios and Advisor Managed Model Portfolios**

Your Advisor is compensated for investment advice by an advisory fee that is based on the value of the assets in your advisory account. This advisory fee continues for as long as you maintain your account with your Advisor. This fee provides ongoing access to your Advisor for financial and life planning consultation, as requested by you, which includes assisting you in the determination of the appropriate investment advisory investments and advisory programs for you, conversing with you on an as-needed or as requested basis, to ensure that the investments and programs continue to meet your stated objectives and needs. Your Advisor has a choice of platforms to recommend for the custody of your assets. The advisory fee for advisory services offered to you can differ by Advisor, whether the Advisor is providing consultation, asset management or advice, what investments are available on the platform (e.g., a mutual fund only or mutual fund and other general securities offerings) and whether the asset advice to be provided by the Advisor is with or without discretionary authority. The maximum annual asset-based fee an Advisor can charge ("Advisor Fee") is 1.25% on your advisory account assets, with the exception that the maximum annual asset-based fee an Advisor can charge in a Solutions Premier account is 1.24%.

The specific fee and billing parameters for your managed or advised portfolio is provided within the investment advisory agreement you sign prior to the start of advisory services. Consult with your Advisor to learn more about the advisory services and fees he or she offers. Fees are negotiable. In addition to the Advisor Fee, Lincoln assesses an asset-based Advisory Program Sponsor Fee that is not shared with your Advisor, combined these fees are referred to as the Premier Fee. The Advisor Fee and Advisory Program Sponsor Fees for offerings on other than the Solutions Premier platform vary and will be disclosed on the investment advisory agreement.

Program fees for non-SOLUTIONS Premier programs vary and will be disclosed on the investment advisory agreement.

## **Solutions Premier Platform Fees (“Premier Fee”)**

<b>Assets in Program</b>	<b>Your Advisor’s Maximum Fee</b>	<b>Lincoln Program Sponsor Fee</b>	<b>Total Maximum Premier Fee</b>
First \$500,000	1.24%	0.21%	1.45%
Next \$500,000	1.02%	0.19%	1.21%
Over \$1,000,000	0.85%	0.16%	1.01%

## **II. Lincoln Investment Asset Management Programs: Model Portfolios Managed by Lincoln Investment**

If you choose a Lincoln-managed model portfolio, you will pay an Asset Management Program Fee to Lincoln. The Asset Management Fee is in addition to the Premier Fee described above. This Asset Management Fee is not shared with your Advisor. Below is the Fee Schedule for the Asset Management Programs that Lincoln Investment offers on its SOLUTIONS Premier platform. All Asset Management Program portfolios offered on the SOLUTIONS Premier platform fall under this fee structure, with the exception of certain employer sponsored retirement plans which have negotiated discounted fees.

If you have assets custodied on the SOLUTIONS Premier platform in more than one Asset Management Program, you may qualify for a lower Asset Management Fee. Please refer to "How to Get a Reduced Advisory Fee" later in this Brochure.

### **Lincoln Asset Management Programs Fees - SOLUTIONS Premier Platform**

<b>Assets in Program</b>	<b>Annual Asset Management Program Fee</b>
First \$500,000	0.30%
Next \$500,000	0.28%
Over \$1,000,000	0.25%

Most Sub-Advisers offered on our Solutions platform do not charge Lincoln Investment for managing one or more of our Programs; instead, these Sub-Advisers are compensated directly or indirectly by their affiliated mutual funds that are utilized in their Model Portfolios. The underlying mutual funds that are utilized in the Lincoln-Managed Portfolios are unaffiliated with Lincoln Investment. Lincoln Investment has employed its Investment Management and Research (IM&R) team to manage its Model Portfolios and to oversee the Asset Management Programs Model Portfolios provided by Sub-Advisers.

The IM&R team is described in more detail in the ADV 2B Brochure Supplement accompanying this brochure. The IM&R team has final approval on all portfolio decisions related to Lincoln’s Model Portfolio offerings.

## **III. Third Party Managed Model and Third Party Custom Portfolios**

### *Co-Adviser*

Lincoln, as Co-Adviser, works with third party money managers to provide you with access to their investment advisory services. Neither Lincoln Investment nor your Advisor performs the ongoing discretionary asset management in your portfolio; this is done by the third party money manager. As Co-Adviser, Lincoln Investment typically is responsible to work with you to collect all necessary

information and documentation to assist the money manager in managing your assets, and to answer any questions you may have about the money manager or the managed portfolio. In some instances, a portion of the Advisory Fee charged by the third party money manager is paid to Lincoln Investment and your Advisor; in other instances, your Advisor may add on a fee to the money manager's fee for performance of certain assigned services as Co-Adviser. Please review your investment advisory agreement and the Form ADV 2A of the third party money manager for further information regarding the advisory fee for your selected manager(s) and the portion of the fee that is paid to Lincoln Investment and your Advisor.

#### *Solicitor*

Advisors and Lincoln may also act as a Solicitor and introduce you to a third party money manager. In Solicitor relationships, we are not acting as a Co-Adviser. For this introduction, the third party money manager will pay Lincoln Investment a Solicitor/Referral Fee, which we will share with your Advisor. This fee, which is typically an ongoing portion of the fee collected from you by the manager, must be disclosed to you at the time of the introduction in a Solicitor Disclosure Statement. In some instances, Lincoln Investment and your Advisor share in the money manager's advisory fee; in other instances, Lincoln Investment may assess a separate fee for our referral in addition to the money manager's fee. Please review the Solicitor Disclosure Statement provided to you at the time of the referral to determine the fee we are paid.

#### **IV. Periodic Investment Consulting**

Advisors may, for a fee, provide periodic investment analysis or advice on assets held at a custodian other than a custodian with which Lincoln Investment has an advisory relationship; for example, your 401(k) assets held within your employer's plan. Advisors may assist you in diversifying and risk-adjusting your entire household of investments. You will enter into a separate written Planning Services Agreement before any services are performed. Once the investment analysis or advice is delivered, the Planning Services Agreement ends and your Advisor will be unable to provide to you ongoing monitoring of assets that are not held at a custodian with which Lincoln Investment has an advisory relationship. You will need to re-engage with your Advisor for future analysis or advice. Advisors may charge you for these services through a flat or hourly fee.

#### **V. Financial Planning**

Financial Planning services are generally provided to you by your Advisor on a flat fee or hourly fee basis. You will receive a written fee for services agreement before any financial services begin. This agreement will describe the services and fees you and your Advisor have agreed upon.

#### **VI. ERISA Retirement Plan Advice**

Fees for advice and services provided to ERISA retirement plans are negotiable between Lincoln Investment and the plan sponsor. For plans governed by ERISA, compensation arrangements may involve the offset or refunding of any indirect compensation to Lincoln that could be deemed a prohibited transaction relating to the assets or transactions in the plan, such as 12b-1 fees. Compensation will be described in the 408(b)(2) disclosure provided when your ERISA account is established.



## **Additional Information Regarding Fee Billing**

The Asset Management Program Fee, Lincoln's Program Sponsor Fee and your Advisor's Fee are automatically deducted from your account quarterly, in advance of services provided, based on the value of your assets under management as of the close of business on the last business day of the preceding quarter.

An expense within some mutual fund share class offerings is a Mutual Fund Distribution Fee, also called a 12b-1 Fee, which is paid to Lincoln Investment when Lincoln Investment is the broker-dealer on your advisory account. For all advisory accounts, this fee is either directly refunded to your account, or is credited back to you against your next advisory fee. The manner in which you receive this credit depends on the platform where your advisory assets are held. On SOLUTIONS Premier, the amount of the 12b-1 fee received by Lincoln will be applied as a credit against your next quarterly Premier Account advisory fee. For assets held on the Pershing LLC platform, the amount of the 12b-1 fee received by Lincoln Investment will be refunded directly to your Pershing account. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee expense that the fund does not share with your broker-dealer custodian. This fee-offset or crediting of 12b-1 fees will alleviate the conflict of interest associated with Lincoln Investment receiving this third party compensation and will also reduce the expense to you associated with purchasing a mutual fund share class which includes a 12b-1 fee expense.

Assets received into an advisory account at any time other than the last business day of a calendar quarter will be subject to a daily pro rata advisory fee for the remaining portion of the quarter. If the calculated advisory fee is less than \$5.00, the fee will be waived and not deducted from the advisory account. Assets withdrawn from an advisory account at any time other than the last business day of a calendar quarter will be eligible for a daily pro rata advisory fee refund for the remaining portion of the quarter. Lincoln will not refund advisory fee refunds that total less than \$5.00.

For advisory accounts billed quarterly in advance of services rendered, upon closing of an advisory account, Lincoln will assess on a daily pro rata basis the amount of the quarterly fee prepaid and unearned by the firm and refund the unearned portion of the quarterly fee to the client. Lincoln will not refund unearned fees that total less than \$5.00. For advisory accounts billed quarterly in arrears of services rendered (for certain non-SOLUTIONS Premier programs only), upon closing of an advisory account, Lincoln will assess on a daily pro rata basis the amount of the quarterly fee earned by the firm and such amount will be due and payable by the client. Lincoln will waive payment for fees due that are less than \$5.00.

The Advisor's Fee and Program Sponsor Fee will be deducted from the Money Market position or highest value position in the account which is not part of an Asset Management Program Model at the time the Fee is deducted. The Asset Management Program Fee (if applicable) will be deducted from the Money Market position or highest value position within the Asset Management Program Model. An investor may terminate Lincoln's or its Advisor's advisory services at any time upon written notice to us. The death of an investor also constitutes termination of any agreement with Lincoln, though an executor or other authorized representative may choose to continue services under a new or modified agreement. Where a client has paid a flat or hourly fee in advance, fees may be refunded to the client for services not yet performed or delivered. Clients remain responsible to pay fees for services performed but not yet billed.

You could purchase products or services similar to those offered by Lincoln Investment separately from our affiliated investment adviser, Capital Analysts, LLC or from any financial services provider. Lincoln Investment offers some employees, its Advisors, and family members a discount or waiver of some or all fees.

## How to get a Reduced Advisory Fee on the SOLUTIONS Premier Platform

If you have assets in more than one Lincoln Investment SOLUTIONS Premier Account custodied with Lincoln, Lincoln Investment aggregates all SOLUTIONS Premier account assets under your Social Security Number and applies the applicable advisory fee associated with the aggregate of all SOLUTIONS Premier assets to all advisory program billings. You may also be eligible for a fee discount through participation in a Billing Discount Group, where your Premier account(s) are linked to your related or affiliated investors' Premier account(s) in order to aggregate account assets to afford all in the group the potential for lower advisory fees should your aggregated Solutions Premier Advisory Assets exceed \$500,000. Lincoln Investment offers fee reductions on assets above \$500,000 and a further fee reduction on assets over \$1 million. Once all Premier assets under your Social Security Number and those in your Discount Group are aggregated, you may be eligible for a fee reduction if your total assets exceed these amounts. You should consult with your Advisor to determine Discount Group eligibility and complete a Request for Participation in a Discount Group. Your Effective Quarterly Billing Rate will be indicated on your Quarterly Billing Notices:

*Example - If you are NOT in a Discount Group: A client has \$300,000 in assets in one of Lincoln's Discretionary Asset Management Programs and her spouse has \$300,000 in another Lincoln Investment Discretionary Lincoln Investment Asset Management Program. When Lincoln Investment calculates the advisory fee for each client, it will utilize \$300,000 as the asset base in each account, and neither client will be eligible for the fee break for assets above \$500,000.*

*Example - If you ARE in a Discount Group: A client has \$300,000 in assets in one of Lincoln's Discretionary Asset Management Programs and her spouse has \$300,000 in another Lincoln Investment Discretionary Asset Management Program. Provided the client and her spouse have completed a Request for Participation in a Discount Group, when Lincoln Investment calculates the advisory fee for each account, it will utilize \$600,000 as the asset base in each account and will apply the applicable breakpoint fee associated with assets above \$500,000 to each Program's advisory assets.*

## Wrap Fee Programs

A Wrap Fee Program is an investment advisory program in which you pay one bundled fee to compensate Lincoln Investment and your Advisor for their services *and* to pay the transaction and clearing costs associated with transactions in your advisory account. As the SOLUTIONS Premier platform has no transaction costs to buy or sell securities, it is not deemed a Wrap Fee Program. Lincoln Investment does, however, offer Wrap Fee Programs on some third party platforms, such as Pershing, LLC. These services are described in Lincoln's Form ADV Part 2A Appendix I -Wrap Fee Program Brochure which accompanies this brochure. A Wrap Fee is not based directly upon the actual transaction or execution costs of the transactions in your account. Depending on the underlying investments and amount of transactions you expect in your account, a Wrap Fee account may cost you more or less than if you chose a SOLUTIONS Premier account or another Lincoln Investment advisory program that does not charge a Wrap Fee, or if you chose to pay separately for all of your transaction costs (e.g., pay the advisory fee plus all commissions).

On third party platforms, there may be transaction costs associated with acquiring or selling mutual funds at net asset value. If you expect to do significant trading in your account, a Wrap Fee may be a more cost efficient advisory account fee arrangement for you. Transaction Fee (TF) and No Transaction Fee (NTF) mutual funds are available on many of the third party provider platforms, such as Pershing, Fidelity, TD Ameritrade and Schwab. If a Transaction Fee fund is selected, you will be assessed a ticket charge, unless

you are in a Wrap Fee program or on the SOLUTIONS platform. Threshold levels for initial and interim billing for deposits and withdrawals can vary based on platform and program.

### **Other Costs That You May Incur**

Total advisory fees paid and other costs associated with your portfolio impact the overall performance of your portfolio. It is important to review these costs when making your advisory and investment decisions.

Costs may include the following:

1. **Mutual Fund 12b-1 Distribution Fees.** An expense within some mutual fund share class offerings is a Mutual Fund Distribution Fee, also called a 12b-1 Fee. For all advisory accounts this fee is either directly refunded to your account, or is credited back to you against your next advisory fee. The manner in which you receive third credit depends on the platform where your advisory assets are held. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee expense that the fund does not share with Lincoln.
2. **Internal Expenses.** Internal management fees, other fund fees or other expenses charged by the mutual fund or sub-account of a variable annuity (also known as the internal expense). All mutual funds, ETFs and annuity companies charge a fee for the management and operations of their offerings. Higher internal expenses can adversely affect the long-term performance of your portfolio when compared to share classes of the same fund that assess lower internal expenses. For more complete information regarding the internal expenses of an investment and how they impact your costs and performance, you should read “*Understanding Share Classes within your Investment Advisory Accounts*” below.
3. **Platform Fees.** Lincoln Investment offers its advisory services on various broker-dealer platforms. Each platform assesses different account, service and transaction fees such as, commissions, wire fees, trade-away fees, statement and confirmation fees, retirement plan recordkeeping or custodial fees, and low balance or account termination fees. For instance, if your assets are held at Lincoln Investment on our SOLUTIONS Platform, each investor on the SOLUTIONS platform will pay an annual *per investor* Platform Fee. Regardless of the number of retirement or non-retirement accounts held on the SOLUTIONS platform, this fee will be deducted each quarter from only one account owned by the investor. This fee will cover administrative expenses associated with carrying all of an investor’s accounts on the SOLUTIONS platform and is in addition to the advisory fee. Please refer to Item 12: Brokerage Practices for further information.
4. **Mutual Fund Short-term Trading Redemption Fees.** Some mutual funds impose short-term trading redemption fees of up to 2% for active trading or exchanging in and out of their funds. This could affect you or your investment advisor’s ability to properly manage your portfolio as these costs will impact the performance of your portfolio or may be an incentive not to trade.
5. **Variable Annuity Rider and Contract Costs.** These costs may include, but are not limited to, annual base annuity contract charges, optional benefit riders, underlying sub-account expenses, and potential surrender fees.
6. **Rights of Accumulation.** Many mutual funds offer rights of accumulation or other sales charge discounts. The mutual fund company may or may not count your assets held in an advisory service as eligible for a reduced sales charge on other mutual fund purchases. You should consult the fund’s prospectus for the product sponsor’s specific rules.

7. **Retirement Plan Rollovers.** If you decide to roll assets out of a retirement plan, such as a 401(k) plan, into an individual retirement account ("IRA"), we have a financial incentive to recommend that you invest those assets with us because we will be paid an advisory fee on those assets, and other compensation. You should be aware that such fees would likely be higher than those you would pay through the plan, and there can be custodial and other maintenance fees, as described above. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan. For more information about rollovers, see The Lincoln Investment Companies Investor Agreement and Disclosure Handbook

## **Other Compensation to Lincoln Investment and Our Conflicts of Interest**

Lincoln Investment recognizes its fiduciary responsibility to place your interests above ours and that other compensation received by us, or an affiliate, from other sources presents a conflict of interest and could be looked upon by you as an incentive for us to recommend investment products or advisory services based on compensation rather than on your financial needs. Below is a description of conflicts of interest that we have identified in the conduct of our business that we believe may be material. With many of these conflicts, we have taken steps to mitigate or reduce the conflict.

## **Understanding Share Classes in Lincoln Investment Advisory Accounts**

Mutual funds are common investments for individuals. A mutual fund pools money from many investors and invests the money in securities or other assets. A mutual fund has various expenses that are paid from fund assets. These internal expenses are reflected in the fund's "expense ratio." Such expenses include fees paid to the adviser that manages the fund, operational expenses, and fees paid to the brokers that sell shares of, and provide services to, the fund. These are ongoing fees and expenses charged throughout the life of the mutual fund investment. Fees and expenses are an important consideration in selecting a mutual fund because these charges lower an investor's returns.

A mutual fund frequently offers investors different "share classes." Each class will invest in the same "pool" or portfolio of securities and other assets, but each class will have different fees and expenses and, therefore, different returns. For example, some share classes have higher expense ratios because they pay brokers more for selling or servicing that particular share class. In contrast, other share classes of the same fund may have lower internal fees and expenses. A single mutual fund will often have share classes with different expense ratios, with the share classes that have higher expense ratios generally having lower returns than share classes with lower expense ratios. In other words, an individual investor may pay more, or less, for precisely the same mutual fund investment, depending on the share class. These internal fees and expenses are in addition to any fees a broker may directly charge customers on particular share classes, such as transaction fees at the time of buying or selling the fund shares and are in addition to the investment advisory fee you will pay.

The expense ratio of a fund is disclosed in the fund's prospectus and annual reports and generally reflects the annual operating costs of the fund, assessed as a percentage of a fund's average assets. The expense ratio within a mutual fund share class can fluctuate from what is shown in a prospectus for the fund offering and annual report and can vary over time and from year to year. A fund that was deemed to have a lower expense ratio at the time of purchase may not actually maintain that expense ratio during the time that the fund is held and new fund share classes may become available with different expense ratios.

Share class selection for your advisory accounts will be based on a range of factors. Lincoln Investment does not make all share classes available to your advisory accounts. While Lincoln Investment will generally seek to designate a single share class of a mutual fund for purchase in your advisory accounts, designated share classes will likely vary among custodial platforms and more than one share class can be purchased and held in advisory accounts. Factors we consider in share class selection, include, but are not limited to, the net expense ratio of the share classes (the expense ratio of the fund less any 12b-1 fee revenue that is paid out of the fund expense and then credited back to you), a net expense tracking error of ten basis points (0.10 %) based on the prospectus net expense ratio as provided by Morningstar, prospectus 12b-1 distribution fee as provided by Morningstar, whether a portfolio is a discretionary managed portfolio or a non-discretionary managed portfolio, the availability of share classes on various custodial platforms, whether particular share classes are subject to transaction fees (“TF”) or do not have transaction fees (“NTF”) on the custodial platform used, operational considerations such as share class consistency within a fund family on a particular custodial platform (as described below), the availability of account minimum waivers, tax and other circumstances that are unique to particular clients. Expense tracking error refers to an acceptable margin that Lincoln Investment considers when comparing share class costs since share class expense ratios can fluctuate over time. Share class consistency refers to the objective of utilizing the same share class for all or a majority of the mutual funds within a fund family on a particular custodial platform to support consistency and efficiency. This objective may not always be achieved and more than one share class could be purchased and held. Generally, Lincoln Investment will only consider a share class for share class consistency if the differential between the share classes being considered is ten basis points (0.10%) or less based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar. If not within this range, then multiple share classes of a fund family could be available on a custodial platform.

A fund share class on one custodian’s platform may be an NTF fund while on a different custodian’s platform may be a TF fund, or vice versa and the lists of NTF and TF funds available on custodian’s platform change over time. The expense ratio for TF funds will generally be lower than that for NTF funds, but the purchase and sale of TF funds can also (but not always) be subject to additional transaction fees and other charges that increase the cost of investment. Trading in TF funds can increase the cost to either the client or the firm subject to the size of the transaction, the amount of trading that is done in the fund, and the ticket charges that are assessed.

For client assets held on Lincoln’s SOLUTIONS Premier platform, Lincoln Investment clears a material portion of its client’s mutual fund transactions through Charles Schwab & Co. (“Schwab”) on an omnibus basis. Schwab determines whether a fund available to Lincoln Investment is NTF or TF. Pursuant to the terms of its arrangement with Schwab, Lincoln Investment pays no transaction fees to Schwab for TF funds on the SOLUTIONS Premier platform until a certain threshold of TF fund positions is reached. Generally, only NTF funds will be available for new fund purchases in your advisory accounts. However, TF funds will be purchased if the NTF fund in the same mutual fund is not available on the applicable custody platform (Schwab), subject to the purchase being eligible for investment minimums or investment waivers, or was already owned in the portfolio prior to the implementation of this share class policy. Additionally, not all funds available on SOLUTIONS Premier are cleared through Schwab; some are cleared directly with the fund. For a list of funds available on the SOLUTIONS Premier platform and whether they are cleared through Schwab or cleared directly, go to <https://www.lincolninvestment.com/disclosure.cfm>.

Lincoln Investment has an agreement with Schwab that they will share with us shareholder services fees paid to them by the funds (“Shareholder Services Fees”), to assist us in covering the costs and expenses that Lincoln Investment incurs in connection with effecting and executing securities transactions on your behalf, providing to you shareholder services as well as the clearing, custody and sub-accounting involved in carrying your accounts on our SOLUTIONS platform (“Shareholder Services”). Lincoln Investment’s

share class policy and utilization of Schwab as our omnibus clearing firm can result in Lincoln Investment utilizing more expensive share classes. The result is Lincoln Investment shares in a portion of the higher fund expense through Schwab's payment of the Shareholder Services Fees to us, while other share classes are available that would pay no revenue sharing or less revenue sharing to Lincoln Investment. Other financial services firms and third parties may offer the same mutual fund at a lower overall cost to the investor than is available through your Lincoln Investment account or you could invest directly with the Fund. Not all funds available on SOLUTIONS Premier are cleared through Schwab; some are cleared directly with the fund. This creates a conflict of interest to Lincoln Investment to choose the most advantageous clearing arrangement for each fund, based on the anticipated expenses and revenues to Lincoln Investment.

Shareholder services fees are not paid by all funds and the amount of the shareholder services fees can vary depending on the share class of the fund that is purchased and held. For those funds which Lincoln Investment clears directly, such as the Federated Money Market Funds, Lincoln Investment receives networking fees ("Networking Fees") from the funds. Networking Fees are not paid by all funds and the amount of the Networking Fees can vary depending on the share class of the fund that is purchased and held. This creates a conflict of interest to Lincoln Investment to choose the clearing arrangement that is most financially advantageous to Lincoln Investment for each fund, based on the anticipated expenses and revenues to Lincoln Investment. For a list of funds available on the SOLUTIONS Premier platform and whether they are cleared through Schwab or cleared directly, go to <https://www.lincolninvestment.com/disclosure.cfm>. These conflicts of interest create incentives for Lincoln Investment to select and hold investments for you that financially benefit Lincoln Investment, including the incentive to select and hold investments that are more expensive for clients. Lincoln Investment mitigates these conflicts by disclosing them to you and by not sharing them with your Advisor.

Lincoln Investment and its Advisors are not under an obligation to pay the transaction fees and other charges associated with investments in TF funds on your behalf, unless you are in a Wrap Fee Program. Pursuant to the terms of its arrangement with Schwab, Lincoln Investment pays no transaction fees to Schwab for Transaction fee funds on the SOLUTIONS Premier platform until a certain threshold of positions is reached. However, if Lincoln Investment does assume these costs, then it has a financial incentive to select NTF funds in its Wrap Fee programs to avoid paying or to lower mutual fund transaction charges. This creates a conflict of interest for Lincoln Investment to select a NTF mutual fund in a Wrap Fee program because Lincoln Investment would incur less expense and generate more revenue than if Lincoln Investment selected a TF fund. When selecting a share class of a mutual fund for its platform and when recommending a mutual fund to you, Lincoln Investment and your Advisor have a conflict of interest because the selection or recommendation of a more expensive share class for the client results in greater net after cost compensation to Lincoln Investment. These conflicts of interest create incentives, including economic incentives, for Lincoln Investment to select and hold investments for clients that financially benefit Lincoln Investment, including the incentive to select and hold investments that are more expensive for clients, when lower cost share classes of the identical fund are available. A client could access these lower cost share classes directly from the fund or a third party.

Lincoln Investment and your Advisor can purchase, hold, and recommend mutual fund investments in share classes in your advisory accounts that are not the lowest cost share class and that have higher internal expense ratios. You should not assume that you are invested in the lowest cost share class. Since you could be invested in a higher expense share class, the returns in these investments will be lower. Lower returns reduce performance over time.

Lincoln Investment may, in its discretion, determine to convert your mutual fund positions held in one share class to a different share class. Such share class conversions will occur as deemed appropriate by

Lincoln Investment and will be reflected on your account statement. Lincoln Investment will consider various factors when considering share class conversions in your advisory accounts, including but not limited to the net expense ratio of the share classes, whether your account is subject to taxation, the difference in the expense ratio between share classes and whether the difference exceeds an expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar, operational considerations such as share class consistency, the share class designated by Lincoln Investment for initial purchases, your investment preferences and the amount of potential taxable gains or losses to which you could be subject. The ability and length of time to effect a share class conversion will vary by custodial platform and is subject to prospectus requirements and custodial platform approval. Lincoln Investment will periodically compare the share classes of your funds with the share classes offered by the fund and available to the firm and your account. If, as a result of such review, the Firm initiates a share class conversion, the new share class will appear on your account statement. Lincoln Investment will not consider converting your mutual fund position held in a lower expense share class of the same fund to a more expensive share class of the same fund unless the difference between the lower expense share class and the more expensive share class is less than or equal to the expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar. A share class that is not liquidated or converted during a periodic review can continue to be held but additional purchases of that share class can be restricted. Generally, if a client has a previously established systematic purchase plan to purchase a fund share class that is not on the designated list, the client will be permitted to continue purchasing that share class for a limited period of time. Through the conversion process, you should not assume that you are or will be invested in the lowest expense share class, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses, and therefore lower returns, which can reduce performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly.

Lincoln Investment's mutual fund share class selection policy for advisory accounts applies to those advisory programs custodied at Pershing, LLC and Lincoln Investment and where Lincoln Investment initiates the transaction and there is more than one share class available in the advisory offering. When determining the reasonableness of any fees and expenses you agree to pay to Lincoln Investment, you should consider both the fees and expenses that Lincoln Investment charges to your account for its services and those of your Advisor, as well as any indirect fees and expenses that you pay in connection with any investment in share classes of mutual funds that bear expenses greater than other share classes for which are otherwise eligible. Information about the mutual funds and share classes that are available through your account, including their investment policies, restrictions, charges, and expenses, is contained in the mutual funds' prospectuses. You should read these prospectuses carefully. Please contact your Advisor for additional information on share class selection practices and related fees and expenses.

### **Third Party Payments to Lincoln Investment**

#### **Payments from Third Parties relating to Lincoln Investment's SOLUTIONS Premier Platform Assets**

**Shareholder Services Fees.** For client assets held on Lincoln Investment's SOLUTIONS Premier platform, Lincoln Investment clears a material portion of its clients' mutual fund transactions through Charles Schwab & Co. ("Schwab") on an omnibus basis. Lincoln Investment has an agreement with Schwab that they will share with us shareholder services fees paid to them by the funds ("Shareholder Services Fees"), to assist us in covering their costs to us as well as the costs and expenses that Lincoln Investment incurs in connection with effecting and executing securities transactions on your behalf,

providing to you shareholder services as well as the clearing, custody and sub-accounting involved in carrying your accounts on our SOLUTIONS platform (“Shareholder Services”). Shareholder Services Fees are an asset based portion of the cost built into the internal expense of a fund that is shared with broker dealers and other financial intermediaries who perform services on behalf of the fund and clients. The amount of Shareholder Services Fees that we receive from Schwab averages approximately 0.15% of the SOLUTIONS Premier Assets that we clear through Schwab. A portion of the compensation from Schwab is used to pay direct third-party expenses associated with maintaining your account, specifically, Schwab’s omnibus clearing costs and the sub-accounting services provided by DST Market Services, Inc. (“DST”), which average approximately 0.11% of the SOLUTIONS Premier Assets. Lincoln retains the net revenue after Schwab and DST expenses are paid in order to help to offset our internal operational costs of Shareholder Services we perform for you as well as other direct expenses we incur to maintain your account on our proprietary platform. We believe that accepting this revenue to offset our direct and indirect expenses in connection with providing Shareholder Services to you is reasonable and represents additional compensation to us associated with your advisory account(s).

The receipt of Shareholder Services fees by Lincoln Investment is material and creates a conflict of interest to Lincoln Investment to recommend or select funds that we clear through Schwab and that pay mutual fund Shareholder Service Fees over other funds that do not pay Shareholder Service Fees. The receipt of Shareholder Services Fees by Lincoln Investment also creates a conflict of interest to Lincoln Investment to use Schwab as our omnibus clearing firm over other omnibus clearing firms that do not share the Shareholder Service Fees or that share lower amounts of Shareholder Services Fees. Lincoln Investment’s share class policy and utilization of Schwab as our omnibus clearing firm results in Lincoln Investment purchasing and holding more expensive share classes due to Lincoln Investment’s receipt of more revenue sharing, while other share classes are available that would pay no revenue sharing or less revenue sharing to Lincoln Investment. Shareholder services fees are not paid by all funds and the amount of the shareholder services fees can vary depending on the share class of the fund that is purchased and held.

Not all funds available on SOLUTIONS Premier are cleared through Schwab; some are cleared directly with the fund. The decision to clear a mutual fund through Schwab or not clear through Schwab creates a conflict of interest to Lincoln Investment to choose the most advantageous clearing arrangement for each fund, based on the anticipated expenses and revenues to Lincoln Investment. Shareholder Services Fees are not paid by all funds and the amount of the Shareholder Services Fees can vary depending on the share class of the fund that is held. For a list of funds available on the SOLUTIONS Premier platform and whether they are cleared through Schwab or cleared directly, go to <https://www.lincolninvestment.com/disclosures> and select the link for the *Lincoln Investment Solutions Premier Mutual Fund Availability List*. Lincoln Investment mitigates these conflicts by disclosing them to you and by not sharing these fees with your Advisor.

**Networking Fees.** Lincoln Investment receives networking fees from certain mutual fund companies that are not cleared through Schwab. Networking fees are flat dollar amounts paid based on the number of accounts or tax identification numbers that we open and network with a fund to assist us in providing administrative services to you (“Networking Fees”). The revenue paid is not transaction or asset based. Lincoln retains this revenue to offset the costs of servicing and maintaining your advisory accounts on our platform. This revenue is not shared with your Advisor. Networking Fees are not paid by all funds and the amount of the Networking Fees vary by fund. This creates a conflict of interest to Lincoln Investment to choose the clearing arrangement that is most financially advantageous to Lincoln Investment for each fund, based on the anticipated expenses and revenues to Lincoln Investment. For a list of funds available on the SOLUTIONS Premier platform and whether they are cleared through Schwab or cleared directly, go to <https://www.lincolninvestment.com/disclosure.cfm> and select the link for the Lincoln Investment Solutions Premier Mutual Fund Availability List. These conflicts of interest create incentives, including



economic incentives, for Lincoln Investment to select and hold investments for clients that financially benefit Lincoln Investment, including the incentive to select and hold investments that are more expensive for clients, when lower cost funds are available. Lincoln Investment mitigates these conflicts by disclosing them to you and by not sharing these fees with your Advisor.

**Money Market Fund Shareholder Services Fees, Networking Fees and Cash Deposit Administrative Fees.** Lincoln Investment offers the Federated Money Market Funds and the SOLUTIONS Federally Insured Cash Deposit Program as advisory account cash equivalent investment options for SOLUTIONS Premier investors. Lincoln Investment also allocates on a discretionary basis two percent (2%) of the assets in every Lincoln Investment Asset Management Program mutual fund model to Federated Money Market Funds, to provide sufficient liquidity for the quarterly deduction of the advisory fee from the advisory portfolio.

Lincoln receives directly from Federated, on average, approximately 0.30% in Federated Funds Shareholder Services Fees based on our clients' total assets in their money market funds. In addition to the Shareholder Services Fees, Federated pays Networking Fees calculated on the number of Federated Money Market accounts that we electronically network with them. The Networking Fees received equate to approximately 0.05% on our total assets in their money market funds. Lincoln utilizes this revenue to offset our internal operational costs associated with offering this cash option to you. We believe this revenue is reasonable and in line with industry standards.

The SOLUTIONS Federally Insured Cash Deposit Program is offered in conjunction with StoneCastle Cash Management, LLC. StoneCastle assesses an administrative fee of 0.10% on the monthly Fed Funds Upper Bound (Bloomberg: FDTR) interest rate and Lincoln Investment assesses an administrative fee of 30.00% based on the available StoneCastle rate eligible for our investors' cash deposits (collectively "Administrative Fees"). The interest rate that is credited to all SOLUTIONS Federally Insured Cash Deposit Program assets is the Bloomberg FDTR rate less the Administrative Fees. Lincoln utilizes this revenue to offset our internal operational costs associated with offering this cash option. We believe this revenue is reasonable and in line with industry standards.

The receipt of these Shareholder Service Fees and Administrative Fees by Lincoln Investment is material additional compensation to the firm and creates a conflict of interest to Lincoln Investment to recommend or select these cash equivalent investment options over other cash equivalent investment options that do not pay these fees to us. Other financial services firms and third parties could offer the same or similar money market funds and cash deposit bank options at a lower overall cost to the investor than is available through your Lincoln Investment account, or you could invest directly with the fund provider. Lincoln Investment mitigates these conflicts by disclosing them to you and by not sharing these fees with your Advisor. In addition, your Advisor has the ability to waive the advisory fee on any cash equivalent investment options in SOLUTIONS Premier Custom Client Portfolio, should you request it.

**Total Compensation on Your Advisory Account.** For advisory accounts held on Lincoln Investment's SOLUTIONS Premier platforms, Lincoln Investment retains the above described Shareholder Services Fees revenue, the Federated money market revenue and the Federally Insured Cash Deposit Administrative Fee revenue and we do not refund or offset this revenue against your advisory fees. In 2019, this revenue represented approximately 6.5% of the total revenues for Lincoln Investment. If you are invested in the above described assets, this revenue equates to additional annual compensation to Lincoln Investment of up to approximately 0.16% on your asset value. For example, if the advisory fee you pay Lincoln Investment for your Advisor's services and Lincoln Investment's Asset Management Programs is 1.55%, Lincoln Investment could also earn up to 0.16% on your account assets from these third party providers, for total compensation to us of 1.71% on your advisory account assets. The receipt of this revenue sharing creates a conflict of interest to Lincoln Investment to recommend our Asset

Management Programs, these provider's offerings and our custodial platform over other advisory programs, products and custodians that do not share these fees or that would share lesser amounts. These conflicts of interest create incentives, including economic incentives, for Lincoln Investment to select and hold investments for clients that financially benefit Lincoln Investment, including the incentive to select and hold investments that are more expensive for clients, when lower cost share classes are available. A client could access these lower cost share classes directly from the fund or a third party. Lincoln Investment mitigates these conflicts by disclosing them to you and by not sharing these fees with your Advisor.

### **Third Party Payments from Pershing LLC**

**Pershing Revenue Sharing and Expense Credit with Lincoln Investment; Money Market and Cash Deposit Fees.** For advisory accounts held on Pershing LLC's platform, Pershing provides a credit against expenses to Lincoln Investment, as introducing broker-dealer, based on the total asset value of all accounts maintained on the Pershing platform and based on the total number of investor accounts on Pershing, pursuant to a written agreement with Pershing LLC. This revenue does not vary with respect to the investment choices/recommendations made in your Pershing account. Lincoln does not refund or offset this revenue sharing against advisory fees paid by clients whose advisory assets are on Pershing. Additionally, Pershing LLC shares revenue with Lincoln Investment through a portion of the Shareholder Service Fee paid by Federated Funds on the Federated Money Market Cash Sweep Options, and a portion of the gross interest rate yield from the Interlink and Dreyfus Bank Cash Deposit Sweep Options that are available to you for investment through us. This revenue compensates Lincoln for the administrative expenses of assisting in the establishment and administration of these money market and cash deposit accounts. Other financial services firms and third parties could offer the same or similar money market sweep options and cash deposit sweep options at a lower overall cost to the investor than is available through your Capital Analysts account or you could invest directly with the product provider. Overall, the annual revenue and credits received by Lincoln Investment represents approximately 0.02% of additional compensation based on total Capital Analysts assets on Pershing. For example, this means that if you pay Capital Analysts an annual advisory fee of 1.00% on advisory assets, our affiliate, Lincoln Investment, is earning approximately 0.02% on your assets for total compensation to all affiliated parties of approximately 1.02%. This revenue represents less than one-half of 1.00% of the revenues of Lincoln Investment. We do not believe this revenue is material to Capital Analysts or its affiliate, Lincoln Investment. This revenue is not shared with Capital Analysts or your Advisor. Your Advisor has the ability to waive the advisory fee on all Cash Sweep Options, should you request it. The receipt of revenue sharing with Pershing and expense credits by Pershing creates a conflict of interest to Capital Analysts to use Pershing as a custodian over other custodians that do not share these fees, do not provide expense credits or that would share lesser amounts.

**Pershing Margin Participation.** For advisory and brokerage accounts held on Pershing's platform, Pershing shares a portion of the interest that you pay on margin with Lincoln Investment, as introducing broker-dealer, pursuant to a written agreement with Pershing, LLC. The receipt of revenue sharing with Pershing creates a conflict of interest to Lincoln Investment to use Pershing as custodian over other custodians that do not share these fees. Lincoln Investment mitigates this conflict by disclosing it to you and by not sharing it with your Advisor.

**Account Service Fees.** Brokerage Account Fee Schedule For Accounts Held at Pershing LLC. For advisory and brokerage accounts held on Pershing's platform, Pershing charges account service fees and permits Lincoln Investment to mark up our costs for these services, which you pay. These services are identified in the *Lincoln Investment Brokerage Account Fee Schedule for Accounts Held at Pershing LLC*. The receipt of these mark-ups creates a conflict of interest for Lincoln Investment since it creates an incentive for Lincoln Investment to continue to use Pershing in order to receive fees from mark-ups.

Lincoln Investment mitigates this conflict by disclosing it to you and by not sharing the mark-ups with your Advisor.

**Sales & Marketing Support Revenue.** Lincoln Investment receives Sales and Marketing Support as described below and includes Flat Fee Sponsors, Other Sales Support and Asset and Sales Based Sponsors (collectively, “Sales and Marketing Support”). In order to minimize the conflicts associated with the receipt of these fees, Lincoln Investment does not receive Flat Fee Sponsor and Other Sales Support payments that are based on the amount of advisory account assets or advisory account transactions with a particular sponsor, or that are based on ERISA account assets. However, Flat Fee and Other Sales Support Sponsors can compensate us from assets of the mutual fund, the fund’s investment manager, distributor or other fund affiliate’s assets. While payments out of the fund’s investment adviser, distributor or other fund affiliate’s revenues or profits are not directly paid from the fund’s assets, fund affiliate revenues or profits can, in part, be derived from fees earned for services provided to and paid for by the fund. Payments out of fund assets can lower investor returns and performance over time. Lincoln Investment can also receive Shareholder Services Fees from the same fund families and investment advisers that provides Sales and Marketing Support. These sources of payments are a conflict of interest to Lincoln Investment to recommend and promote those fund families over other fund families that do not provide Sales and Marketing Support or that provide lower amounts of Sales and Marketing Support.

**Flat Fee Sponsors.** Lincoln Investment has partnered with a select group of third party money managers and product sponsors who pay to assist Lincoln Investment in the training and education of Lincoln Investment’s Advisors, at Lincoln sponsored events, on such topics as advisory products and services, practice management, tools and technology, consumer education, and policies, rules and regulations. These sponsors provide financial support to Lincoln Investment in the form of a flat-dollar amount that may be amended annually and is not based on the sales of their proprietary products or services. Sponsors can compensate us from fund assets, the fund’s investment manager, distributor or other affiliate’s assets. Payments made to broker-dealers out of fund assets can lower investor returns and performance over time. Advisors do not share in any portion of these payments so as to mitigate any conflict for an Advisor to recommend one product or money manager over another. This financial support allows Lincoln Investment to defray or offset costs associated with Lincoln sponsored events and other educational and outreach tools and services. The financial support by these Sponsors to Lincoln Investment presents a conflict of interest.

All Flat Fee Sponsors do not pay Lincoln Investment the same amount, and depending on the amount of the payment from the Flat Fee Sponsor, the access to Lincoln Investment sponsored events may differ. For example, Lincoln Investment holds a number of sales conferences both nationally and regionally throughout the year to educate advisors. The higher the annual flat fee payment, the more events the Flat Fee Sponsor will be invited to attend. Flat Fee Sponsors have more opportunities than other product sponsors and money managers that are not Flat Fee Sponsors to market to and educate Advisors which could pose a conflict to Advisors to offer these sponsors products or services over others. Advisors do not share in any portion of these payments so as to mitigate any such conflict.

In 2019, the financial support from Flat Fee Sponsors paid to Lincoln Investment, as allocated by assets across all investment advisory assets with Lincoln Investment Planning, LLC and its affiliated investment adviser, Capital Analysts, LLC, did not exceed 1.5% of total revenue for either of the affiliated registered investment advisers and in aggregate was less than one percent of the combined revenue for both affiliated registered investment advisers. We do not believe that these revenues are material. In 2019, Flat Fee Sponsors who compensated Lincoln Investment with a flat fee payment, which is not based on assets, sales or accounts, and offer a fund or advisory program that could be used in your advisory programs, in order from highest to lowest payment were Russell Investments, Meeder Funds, ICON Funds, CLS Investments, JPMorgan Funds, American Funds, Franklin Templeton Group, Clark Capital Management,

Lord Abbett, StoneCastle (administers The Federally Insured Cash Deposit Program), Security Benefit Life, Prudential, DoubleLine Funds, Federated Investors Funds, Putnam Investments, and Invesco Investment Services. All offerings by these Flat Fee Sponsors are available on Lincoln Investment's SOLUTIONS and SOLUTIONS Premier platforms.

**Other Sales Support.** From time to time, product sponsors and third money managers may assist Advisors in their sales and marketing efforts by subsidizing certain Advisor costs, such as client meetings or workshops, mailings, administrative expenses and technology support. The amount of support is approved by Lincoln Investment and is monitored to ensure that it is not too frequent or excessive. Also, Advisors are invited from time-to-time by product sponsors to due diligence and educational meetings or seminars hosted by the product sponsor or money manager. Lincoln Investment must grant permission to our Advisors to attend any meeting or seminar hosted by a product or advisory service sponsor. Lincoln Investment approves events that are limited to education or due diligence only and allows the product sponsor to provide meals, hotel accommodations and reimbursement to the Advisor, through Lincoln, for travel expenses only. These events represent a nominal portion of revenue that may be received from product sponsors. The education of our Advisors in the offerings that are available to them is a key component of providing prudent investment advice to you. This could be deemed a conflict of interest that will incentivize the advisor to offer one product or money manager over another. This support is not based on client assets or transaction sales.

**Ancillary Sales & Marketing Support Revenue paid to Lincoln Investment that is not tied to your Advisory assets, or the platform where your Advisory assets are held, but is tied to the Non-Advisory assets or transactions in which you may invest**

**Asset and Sales Based Sponsors.** In connection with non-investment advisory (non fee-based) assets of our investors, and in addition to the compensation described above, Lincoln Investment receives Sales and Marketing support from product sponsors, mutual fund companies, insurance companies and other third party providers to assist in the marketing and sales efforts of employees and Advisors ("Asset and Sales Based Sponsors"). The support provided by these sponsors is based on brokerage-only (non-investment advisory) assets and brokerage transactions and not based on your advisory account assets or ERISA assets. We receive compensation from these sponsors in various forms, including as a flat fee, a percentage of the amount of brokerage assets held by investors, a percentage of sales, or any combination of these methods. The amounts of these payments can vary by the type of product and by provider and can include, but are not limited to, distribution fees and shareholder service fees. In some cases, Asset and Sales Based Sponsors pay additional marketing payments to Lincoln Investment to cover fees to attend conferences. Additionally, some Asset and Sales Based Sponsors make a monthly or quarterly payment or additional monthly or quarterly payment based on the assets you hold in a fund or variable insurance product over a period of time. As you may have both a brokerage account and an advisory account with us, we want you to understand that Lincoln Investment will receive Sales and Marketing Support based on assets or sales in connection with your brokerage account assets and transactions. As Lincoln Investment may be financially incentivized to recommend Asset and Sales Based Sponsors that provide sales and marketing support over others that do not, this is a conflict of interest for Lincoln Investment.

The following is a list of Asset and Sales Based Sponsors in order of high to low total compensation paid to Lincoln Investment as broker-dealer based on non-fee based account assets or sales. The Asset and Sales based Compensation in 2019 was less than \$2.5 million dollars from these product sponsors and represented less than 0.01 percent of the total revenues of Lincoln Investment and could be deemed material to you. Some of this revenue could be used by Lincoln Investment to support the ongoing operational expenses of Lincoln Investment and not used solely for sales and marketing support. We are

disclosing this information to you as the providers and products offered by the providers shown below may also be available within our investment advisory offerings.

Security Benefit Life
Invesco Investment Services
Franklin Templeton Group
Jackson National Life Ins Co
Lincoln National Life
Brighthouse Financial
Prudential Annuities Life
AXA Equitable Life Insurance Company
Voya Mutual Funds
Mewbourne Development Corporation
Inland Group
Bluerock
Columbus Life Insurance Company
Federated Investors Funds
Great American Life Ins Co

Pershing LLC, as clearing firm for accounts introduced by Lincoln, shares with the firm a nominal amount of asset based revenue it receives from certain mutual fund companies in non-advisory accounts. As the revenue received from Pershing is non-advisory related and not material, Lincoln Investment is disclosing the conflict that we receive this revenue rather than list each mutual fund product that generated the compensation to the firm.

### **Other Potential Conflicts**

**Ongoing Fiduciary Conflicts.** Lincoln Investment has a supervisory duty to periodically monitor clients' portfolios to ensure suitability of investments and to ensure that the advisory services are being performed in recognition of our fiduciary duty to you, which includes acting in your best interest. A conflict of interest exists if an Advisor is assessing an advisory fee but no services are being performed. Supervision is performed over accounts and Advisors to monitor for activities that could be deemed a breach of our fiduciary duty to you, including such periodic reviews as accounts where there is no documentation of services being performed and accounts with uninvested cash balances over a 12-month period of time with no rationale for holding such a large cash position in an advisory account. In an advisory relationship, our fiduciary relationship will be most successful if both the client and the Advisor partner to ensure that there is regular and meaningful contact and that the advisory account continues to meet the needs of the client.

**Lincoln's Other Businesses.** Lincoln Investment's principal business is as an investment adviser. The majority of Lincoln Investment's revenue comes from the advisory fees we collect from you. As a broker-dealer, Lincoln Investment also receives compensation from its brokerage business. This compensation comes from securities and insurance product commissions and mutual fund concessions, 12b-1 distribution fees associated with the sale of mutual funds, shareholder service fees, reallowances, trailing commissions from annuity sales, and persistency bonuses on insurance and other sources. Lincoln Investment, acting as both a broker-dealer and registered investment adviser, could be deemed a conflict of interest. This places an additional responsibility on Lincoln Investment to supervise whether a recommendations to open either an advisory account or a commissionable account, or both, is

appropriate. You always have the option to purchase advisory services, securities products or insurance through non-affiliated investment advisers, brokers or agents. Lincoln Investment also is affiliated with Capital Analysts, LLC, an SEC registered investment adviser, and promotes the services of this investment adviser.

**Your Advisor's Other Businesses.** Your Advisor may have more than one relationship with you – one as an Advisor over an advisory account and one as a Registered Representative/Agent over a non-advisory account where he or she may receive a sales commission for the sale of securities or insurance products which would be in addition to any advisory fees earned on your advisory assets. In these situations, our Advisor may have greater financial incentives to offer you both investment and/or insurance sales as well as advisory services.

Your Advisor may also be associated with Lincoln's affiliated investment adviser, Capital Analysts, LLC. These affiliated relationships present a conflict of interest. Through his or her affiliation with Lincoln Investment and possibly with Capital Analysts, your Advisor may be in a position where he or she can offer the same or similar advisory services to you for different fees and compensation structures. If an identical Sub-Advisor or strategy is available through two affiliated registered investment advisers, you may pay higher fees for an advisory service that is similarly offered through another affiliated investment adviser. You always have the option to purchase advisory services, securities products or insurance through non-affiliated investment advisers, brokers or agents.

Lincoln Investment pays out to each Advisor a contracted percentage of the Advisor's fee. This percentage varies by Advisor based on such variables as Advisor experience, type of contract the Advisor has with the firm, amount of investor assets with the firm, and the amount of investor assets invested in the Asset Management Programs managed by the IM&R Team. This creates a conflict of interest for Advisors to recommend Lincoln Investment's offerings over other third party advisory offerings. Most of Lincoln's Advisors are independent contractors who may also offer other non-security financial services and products, such as life, health, disability, long term care and fixed annuity insurance products, and real estate. These services may be offered independent of The Lincoln Investment Companies.

**Sales Incentives.** Lincoln Investment offers sales contests that provide additional incentives to your Advisor to offer advisory services managed by the IM&R Team over third party advisory services. Lincoln Investment offers sales contests based on such criteria as gross compensation to the Advisor, new accounts, and net sales of advisory programs. These contests can provide your Advisor with a conflict of interest and an incentive to offer you fee-based advisory services over commission-based brokerage services and advisory services managed by the IM&R Team over third party advisory services. Top achievers in these contests may receive Lincoln-sponsored trips, cash prizes, bonus commissions, club points, monetary donations in their name to a charity of their choice or other nominal prizes. No contest is offered which will award the Advisor based upon a specific investment product or on a specific product sponsor. In our capacity as an investment adviser, Lincoln Investment and its Advisor recognize they have a fiduciary duty to investment advisory clients. Although Lincoln Investment does not offer specific product sales incentives for securities products, issuers of non-securities insurance products, such as fixed annuity issuers, may offer sales incentives to Advisors in the form of cash bonuses and trips if certain sales thresholds are met. You should ask your Advisor about these incentives at the time of sale.

**Endorsements.** From time-to-time, Lincoln Investment makes lump-sum payments to education-based associations and not-for-profit organizations with a large constituency of employees who are eligible to invest in 403(b) retirement plans (Associations). In some cases, Lincoln Investment voluntarily makes such payments to reimburse the Associations for certain marketing expenses (e.g., newsletter advertisements) in connection with Lincoln's products and services. Certain Associations require Lincoln Investment to reimburse them for (1) marketing expenses; (2) use of their facilities used to meet with their

employees; (3) to obtain their explicit endorsement; or (4) to cover their administrative costs for the processing of payroll contributions.

**Loans and Advances.** On occasion, Lincoln Investment may extend a loan, provide a commission advance, or pay for practice management services for an advisor to assist an advisor in transitioning to the firm and/or running his or her business. Sometimes these loans or advances may be waived, in whole or in part, if certain sales or assets under management thresholds are met or certain practice management goals or conditions are met. In situations where a sales, assets under management threshold or other financial contingency exists, this conflict of interest will be disclosed in the Advisor's Form ADV 2B, which is required to be delivered by the Advisor to every client. Lincoln closely supervises Advisors who have these arrangements to ensure that all advice is suitable to the client.

**Gifts and Entertainment.** Offering or receiving a gift or entertainment from a product or advisory service sponsor could create a conflict of interest. Lincoln Investment has instituted a policy that prohibits excessive and/or too frequent gifts or entertainment activities to mitigate this conflict.

**Political Contributions.** Providing significant political contributions to a state or local official or candidate could create the perception that Lincoln Investment or its Advisors are seeking *quid pro quo* arrangements with that state or local government or its employees to open an account with our firm. Lincoln prohibits contributions in excess of \$350 per election if the Advisor can vote for the candidate and \$150 per election if the Advisor cannot vote for the candidate.

**Charitable Donations.** Providing significant charitable donations to a charity organization could create the perception that Lincoln Investment or its Advisors are seeking *quid pro quo* arrangements with that charity or its employees to open an account with our firm. Lincoln allows contributions to charities, but prohibits any donations that are deemed excessive or too frequent.

#### Item 6: Performance-Based Fees and Side-by-Side Management

Lincoln Investment and our Advisors do not receive performance based fees. A performance based fee is an advisory fee that compensates the advisor for the advisor's success in managing his client's money or "a fee based on the share of the capital gains and appreciation of a client's funds." A performance based fee may induce an advisor to take greater and undue risks with client's funds in an attempt to generate higher compensation to the advisor.

Your Advisory Fees with Lincoln Investment are typically assessed as a percentage of the total value of your advisory account assets as of each calendar quarter-end and are not performance based fees.

#### Item 7: Types of Clients

Lincoln Investment primarily serves individuals, high net worth individuals, trusts, businesses, and charitable organizations as well as the retirement assets of individuals and businesses, including, through IRC 403(b) and 457 programs, individual retirement accounts (IRAs) and employer sponsored ERISA plans. We also offer our institutional investment advisory services to third party investment advisers and trust companies. Clients may open qualified and non-qualified accounts with Lincoln Investment. Not all investors and plans, including retirement plans, are eligible to invest in one or more of Lincoln's advisory programs. Please consult with your Advisor or your employer to determine if your assets are eligible to invest.

Advisor managed accounts on Lincoln Solution Premier do not require a minimum account size; however, client's must meet the mutual fund stated minimum to invest assets in a specific mutual fund. Lincoln managed accounts on Lincoln Solution Premier contain a minimum account size or minimum periodic investment to invest assets in a Lincoln managed model. For specific information related to minimum account size review Lincoln's Investment Advisory Disclosure Brochure, Item 4: Advisor Business. Lincoln Investment and subadvisors may, from time to time, amend or waive the minimum account size for the advisory services offered on Lincoln Solution Premier. Consult with your Advisor for more information on minimum account size requirements.

#### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Investing in securities involves risk of loss that you, the investor, should be prepared to bear.

The advisory services and advice offered by Lincoln Investment and its Advisors primarily attempt to provide to you a *risk-appropriate diversified mutual fund portfolios*. A risk-appropriate diversified portfolio applies the disciplines and theories of asset allocation. *Asset allocation* means, first and foremost, working to design a portfolio that sufficiently allocates your assets across different asset classes to help reduce the exposure to any single asset class and market loss you could incur in your account(s) if you didn't diversify. It is important to understand that asset allocation, although a proven theory to reduce risk to a portfolio, does not guarantee a profit or protect against loss. A diversified portfolio typically will not perform as well as a stock market index, such as the S&P 500, in a rising market environment, and it will typically not decline as much in a declining market environment.

Mutual fund asset classes include, but are not limited to, domestic and international equities, domestic and international bonds, cash and cash equivalents, as well as alternative investment types such as real estate and commodities. Equities can be further broken down by market capitalization (company size based on annual revenues) ranging from large companies (large-cap) to medium and small companies (medium- and small-cap). Bonds, meanwhile, can be further broken down by issuer type – such as corporate, municipal, and government – and by duration, ranging from short term to long.

Your Advisor will determine with you your risk profile and objectives, create an asset allocation policy, recommend a risk appropriate well diversified portfolio; and may periodically re-balance the account (as directed) back to any stated asset allocation, if any. Your Advisor will also periodically review your account with you to determine if any additional changes should be recommended or made to your account. Your Advisor can analyze your financial situation provided you make available to them your personal and financial data, employee benefit and retirement programs, business continuation plans and even your most recent estate planning arrangements. The Advisor can coordinate with your attorney, accountant, and other staff to discuss solutions. If your Advisor analyzes your investment portfolio, the security analysis methods may include charting, fundamental, technical or cyclical analysis.

Mutual funds pool the money of its investors and invest in a variety of stocks, bonds or other types of securities to meet the stated objective of the fund. Each mutual fund will then be assigned by Lincoln Investment into one of the asset classes identified above and the mutual funds that best meets Lincoln's criteria for inclusion in our Asset Management Programs will be selected. Actual investment return and principal value of most mutual fund investments are subject to market risk and will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. The underlying investments of mutual funds are subject to the risks associated with the corresponding asset classes, described in more detail below.



Using a risk appropriate diversified portfolio, Lincoln Investment uses two approaches to further manage your money in its Asset Management Program advisory services: a Strategic approach and a Tactical approach. Both approaches are best suited for a long term objective to investing.

- **Strategic:** A strategy that sets specific asset class allocations and then periodically rebalances the managed portfolio to maintain the original asset class allocation. There is typically no change in the asset classes used in these portfolios.
- **Tactical:** A strategy that takes a more active trading approach to investing that makes tactical market trades in your portfolio in an attempt to take advantage of potential market opportunities. For example, this could mean a complete replacement of a poor performing investment within an asset class to one that is anticipated to do better.

For some offered Asset Management Programs, management is provided by Lincoln's Investment Management and Research Team (IM&R). For other offered Asset Management Programs, Lincoln has engaged third party asset managers (Sub-Advisers) to manage portfolios in alignment with a stated objective, investment discipline and risk level. Each Sub-Adviser appointed by Lincoln Investment offers a unique discipline to investing. Although the management authorization of your account remains with Lincoln, we oversee that the Sub-Advisers manage to their assigned discipline and risk level.

In the Strategic Asset Management Programs managed in-house by IM&R, the selection of mutual funds for the Asset Management Programs uses a quantitative approach that takes into consideration such factors as: Current style of the fund, style consistency, R-squared (correlation with the markets), as well as multiple performance factors and the expense ratio of the fund. This quantitative approach is utilized to assist with management of model portfolios in the following Asset Management Programs: Dividend Income, Lincoln Strategic, and Progressive.

In the Tactical Asset Management Program managed in-house by IM&R, the team uses a mixture of quantitative and qualitative methods in the management of our discretionary Adaptive Intelligence Model (AIM) Asset Management Programs. Our investment discipline incorporates quantitative tools which include artificial intelligence technology to provide portfolio management and recommendations for our clients. The cornerstone of this discipline is our Asset Allocation Neural Network (AANN). A neural network is a computer system that uses mathematical algorithms to simulate certain cognitive processes of a biological neural network, such as the human brain.

The AANN computer modeling system is utilized to assist with management of model portfolios in the following Asset Management Programs: Adaptive Intelligence Models (AIM) Active; Adaptive Intelligence Models (AIM) Index; and Adaptive Intelligence Models (AIM) ETF.

AANN is a computer modeling system that classifies patterns and causal relationships and makes forecasts based on historical market data. AANN continuously tests its hypotheses and discards invalid assumptions while expectations that continue to be corroborated gain greater influence. Lincoln Investment utilizes AANN as one of several tools to attempt to predict the relative strength of various domestic and global asset classes. Our IM&R team feeds market data into AANN to develop asset class recommendations. Output from AANN's results along with other quantitative and qualitative research are then used by the Lincoln Investment Portfolio Manager to make investment decisions in managing the AIM model portfolios.

For our risk-adjusted AIM model portfolios (such as Conservative Income, Conservative Income & Growth, Balanced, Total Return, Appreciation, and Growth Portfolios), recommendations provided by AANN are fed into our Optimization Model. The Optimization Model provides recommended percentage weightings by asset class for each risk level model portfolio. The Optimization Model considers the investment objective(s) of an AIM portfolio when providing such asset class weightings. The model is

designed to act as a risk control mechanism by analyzing returns, per unit of risk taken, for each asset class using historical market data.

Lincoln Investment does not employ the Optimization Model for all AIM advisory portfolios. The AIM Absolute Return and Managed Income model portfolios generally do not have risk tolerance constraints (i.e., there is little to no limitation as to the exposure your account will have to any given asset class).

Lincoln Investment may utilize additional models that are qualitative or quantitative tools when assessing the AIM portfolios including, but not limited to, neural networks and subjective research to provide further direction and insight on specific asset classes.

The Lincoln Investment Portfolio Manager uses the data derived from these models, along with fundamental and technical analysis, to develop asset allocation recommendations for our dynamic asset allocation model portfolios. Once asset allocation recommendations are developed, we utilize our Fund Selector screening program to make quantitatively supported predictions as to the mutual funds, exchange-traded funds (ETFs), and variable annuity sub-accounts within each asset class that will perform the best. The Fund Selector program uses variations of standard mathematical equations as well as proprietary formulas that assess fund performance consistency and measure risk. Subjective methodologies are also used to identify and compensate for specific anomalies in our quantitative research. For example, in situations where a fund has changed managers in the past year, the Portfolio Manager may combine performance from the manager's previous fund to gain a broader perspective of their management skills.

There is no guarantee that the investment recommendations made by AANN or any of our other models in the future will be accurate. AANN is a computer based modeling tool which utilizes artificial intelligence to formulate its results. Output from AANN's results along with other quantitative and qualitative research are then used by the Lincoln Investment Portfolio Manager to make investment decisions in managing the model portfolios. AANN is one of several tools and does not, in and of itself, make any investment decisions.

Lincoln Investment uses asset allocation and diversification in an attempt to achieve the objectives of our model portfolios. Asset allocation involves allocating an investment portfolio among different asset classes, such as stocks, bonds and cash. Our dynamic model portfolios are proactively reallocated to reflect changes in market expectations. Diversification is the practice of spreading money among different investments to reduce risk.

For assets in one of the Lincoln Investment Managed Programs, Lincoln Investment may invest your assets in any asset class we deem necessary in an effort to achieve a model portfolio's objective. Such asset classes may include, but are not limited to: large-capitalization domestic equities, mid-capitalization domestic equities, small-capitalization domestic equities, high quality domestic debt, high yield domestic debt, international equities, emerging markets equities, foreign debt, real estate investment trusts, real assets, Treasury Inflation-Protected Securities, agency securities and Commercial Mortgage-Backed Securities and cash.

Investing in securities involves risk of loss that clients should be prepared to bear. Lincoln Investment cannot assure that any portfolio will increase or preserve capital or generate income, nor can we assure that the objectives of any model portfolio will be realized. Asset allocation decisions made by Lincoln Investment may result in a profit or loss.

As more investments are added to a portfolio, fees and expenses may increase, which will, in turn, lower investment returns. Diversification does not assure a profit or protect against a loss. Mutual funds purchased for your account may invest in different types of securities, such as value or growth stocks, real

estate investment trusts, corporate bonds or U.S. government bonds. There are risks associated with each asset class.

Because each mutual fund within a portfolio owns different types of investments, portfolio performance will be affected by a variety of factors. The value of your account will vary from day to day as the values of the underlying investments you hold vary. Such variations generally reflect changes in interest rates, market conditions and other company and economic news. These risks may become magnified depending on how much a fund invests or uses certain strategies.

The asset classes used by Lincoln Investment and your Advisor in implementing the methods of analysis and investment strategies described above carry material risks.

- **Cash & Cash Equivalents:** Lincoln Investment may invest a portion of your assets in cash or cash equivalents to achieve a model portfolio's objective, provide ongoing distributions and/or take a defensive position. Cash holdings may result in a loss of market exposure.
- **Equities:** The price of equities fluctuate due to many factors including changes in interest rates, global events, industry and company specific events, investor expectations, and general market conditions. You can receive more or less than the original purchase price when selling a security. Concentrated positions in equities typically pose additional risks as a downturn in your investment will cause a more significant loss. Diversification assists in reducing concentration risk. Equity mutual funds may include small-, mid- and large-capitalization stocks. Small- and mid-capitalization companies may have greater price volatility, lower trading volume and less liquidity than large-capitalization companies.
- **Fixed Income Investments:** One of the most important risks associated with fixed-income securities is interest rate risk, the risk encountered in the relationship between bond prices and interest rates. The price of a bond will change in the opposite direction of movements in prevailing interest rates. For example, as interest rates rise, bond prices will generally fall. If an investor has to sell a bond prior to the maturity date, an increase in interest rates could mean that the bondholder will experience a capital loss (i.e., selling the bond below its original purchase price).

Reinvestment risk is the risk that the interest rate at which the interim cash flows can be reinvested will decline and thus reinvestments will receive a lower interest rate. Reinvestment risk is greater for longer holding periods.

Default risk is commonly referred to as "credit risk" and is based on the probability that the issuer of the debt obligation may default. Default risk is rated by quality ratings assigned by commercial rating companies.

Call risk is the risk related to call provisions on debt obligations. You should be aware of four risks associated with call provisions.

- 1) The cash flow patterns of callable bonds are not known with certainty.
- 2) Since the issuer will typically exercise their right to call the bonds when interest rates have dropped, you may be exposed to reinvestment risk. You would have to reinvest the proceeds after the bond is called at relatively lower interest rates.
- 3) The potential for capital appreciation of a callable bond is reduced relative to that of a non-callable bond, because its price may not rise much above the price at which the issuer can call the issue.

- 4) If the issue is purchased at a premium, you may lose the difference between the purchase price and call price.

Inflation risk arises because the value of the cash flows being received from a debt obligation may actually lose purchasing power over the course of time due to the effects of inflation.

Liquidity risk depends on the ease with which an asset can be sold at or near its current value. The best indicator to measure an issue's liquidity is the size of the spread between the bid price and the ask price quoted by a dealer. A wider spread on the asset indicates a greater liquidity risk. If you plan on holding a bond until its maturity date, liquidity risk is less of a concern.

Finally, exchange rate risk, which is encountered in non-dollar denominated bonds or bonds whose payments occur in a foreign currency, has unknown U.S. currency cash flows. The dollar cash flows are dependent on the exchange rate at the time the payments are received. For example, consider a bond whose coupon payment is paid out in Japanese yen. If the yen depreciates relative to the U.S. dollar, fewer net dollars will be received. Conversely, if the yen should appreciate relative to the U.S. dollar, the investor will benefit by receiving more net dollars.

Debt funds may include mortgage-backed securities and Treasury Inflation-Protected Securities (TIPS). Mortgage-backed securities are subject to greater declines in value than traditional fixed-income securities. This is primarily due to decreased prepayments when interest rates fall, which could lengthen the average life of a security. TIPS can provide a hedge against inflation, which helps preserve the purchasing power of the investment. Because of this inflation adjustment feature, inflation protected bonds typically have lower yields than conventional fixed rate bonds. These bonds will likely decline in price during periods of deflation, which could result in losses.

A number of fund companies are offering Floating Rate funds, also called Bank Loan funds. The fund invests mainly in floating rate loans (sometimes referred to as "adjustable rate loans") typically issued to below-investment-grade companies. These loans may or may not hold a senior position in the capital structure of the underlying U.S. and foreign corporations, partnerships or other business entities. Senior Loans may allow them to have priority of claim ahead of (or at least as high as) other obligations of a borrower in the event of liquidation and may be collateralized or uncollateralized. They typically pay interest at rates that float above, or are adjusted periodically based on, a benchmark that reflects current interest rates. These funds are designed for investors seeking to participate in the market for Senior Loans, which may have higher risks than conventional debt securities. Investors should be willing to assume the greater risks of short-term share price fluctuations and the special credit risks that are typical for a fund that invests mainly in below-investment-grade fixed income securities. The fund is not designed for investors needing an assured level of current income. Lincoln's use of these securities in its managed portfolios is only in well-diversified portfolios, to minimize the risks to the portfolio yet allow for the potential participation in the higher yields associated with these higher risk investments.

- **International Investing:** Investing in the global market can assist with diversification of a portfolio but it is important to consider some of the unique risks with such a strategy. Mutual funds purchased for your account may invest in international securities. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. There are special risks associated with foreign investing, including currency fluctuations, economic instability and political developments. Fluctuations in foreign currency-denominated securities may be magnified by changes in foreign exchange rates. These risks may be magnified in emerging markets.

- **Exchange Traded Funds (ETFs):** While investing in ETFs has similar risks as investing in individual equities, ETFs typically invest in a diverse group of securities. The level of diversification varies by ETF. While ETFs reduce the effects of concentration risk as compared to investing in a single security, certain ETFs are susceptible to industry, commodity or country risk. Investing in a diverse selection of ETFs may help to reduce this risk. Another important factor to consider with ETFs is that the portfolio of securities in which they invest are typically not actively managed. Leveraged and Inverse ETFs bear unique risks that investors who wish to trade in these securities must understand; due to the significant risk involved in these securities, Lincoln Investment will approve their use only on an exception basis.
- **Options:** Certain options strategies are highly specialized contracts based on securities and entail greater than ordinary investment risks.

For further information regarding the risks associated with Lincoln's Asset Management Program Model Portfolios and the best suited investment strategies for your account(s), please review the risk level of the Asset Management portfolio and your mutual fund prospectus(es) or consult with your Advisor. Lincoln Investment also provides information regarding its Asset Management strategists (including quarterly Asset Management strategist commentaries) on its website at [www.lincolninvestment.com](http://www.lincolninvestment.com).

#### Item 9: Disciplinary Information

Provided below is a summary of legal or disciplinary events within the past ten years that may be material to your evaluation of Lincoln's advisory business.

**January 27, 2016:** Lincoln Investment signed a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA. Without admitting or denying the findings, Lincoln Investment accepted a censure and \$75,000 fine relating to the supervisory review of consolidated reports produced by Lincoln's representatives and provided to clients. Lincoln Investment further agreed to adopt and implement procedures reasonably designed to enhance the enforcement of our supervisory systems and procedures to ensure effective review of consolidated reports produced by representatives and provided to clients.

**September 25, 2018:** Lincoln Investment signed a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA. Without admitting or denying the findings, Lincoln Investment, relating to its broker-dealer, accepted a censure and \$35,000 fine relating to Lincoln's failure to implement reasonably designed surveillance procedures to monitor its registered representatives' rates of effecting variable annuity exchanges where the firm was not the broker of record for the variable annuity that was being exchanged. After FINRA raised this issue, Lincoln corrected its surveillance report to include all variable annuity exchanges.

Your Advisor should provide along with this brochure a Form ADV 2B Brochure Supplement that describes your Advisor's education, business experience, professional designations and material legal or disciplinary history, if any. For further information regarding Lincoln's disciplinary events, including those prior to 2009, you may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org) and search for Lincoln Investment Planning, LLC.

## Item 10: Other Financial Industry Activities and Affiliations

### **Broker-Dealer and Insurance Agency**

In addition to being a registered investment adviser, Lincoln Investment is also a registered broker-dealer and an insurance agency. This may present a conflict of interest. Please refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure for information regarding Lincoln's conflicts of interests as a broker-dealer and insurance agency and how we address these conflicts.

### **Authorized Agent for UMB Bank, N.A.**

Lincoln Investment acts as authorized agent for UMB Bank, N.A., the retirement plan custodian used in our SOLUTIONS and some Pershing retirement plan platform offerings. As an authorized agent, Lincoln Investment performs the administrative and custodial duties, such as recordkeeping, consolidated reporting, client communications, trade confirmations, account statements and tax reporting for UMB Bank, N.A.

### **NFA Membership**

Lincoln Investment is also an introducing broker member of the National Futures Association to facilitate the offering and sale of managed futures contracts to clients. The contracts are not eligible for advisory accounts.

### **Advisors' Other Business Activities and Affiliations**

Lincoln's Advisors are primarily independent contractors, many of whom hold themselves out to the public under a name other than Lincoln Investment and offer other financial services independent of Lincoln, such as life, health, disability, long term care and fixed annuity insurance products, real estate, and business planning services. A few of our Advisors may also be qualified lawyers and accountants or hold certain professional designations not required by us to conduct business through Lincoln. These services are offered independent of Lincoln Investment as outside business activities and Lincoln Investment assumes no responsibility or supervision over these activities. Please refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure, or refer to your Advisor's ADV 2B brochure supplement, for more information regarding outside business activities and how we address these conflicts. You may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org) for further information regarding your Advisor's other business activities or affiliations.

### **Independent Registered Investment Advisers**

Lincoln Investment permits certain Advisors to maintain their own independent registered investment advisory firm which may offer advisory services similar to, yet independent of, Lincoln. Lincoln Investment assumes no responsibility for their advisory programs and conducts suitability supervision over the transactions initiated by the Advisor. An Advisor who has his or her own independent investment adviser has a fiduciary responsibility to recommend to you the most suitable advisory program regardless of whether it is offered through their investment adviser or Lincoln's investment adviser, or an affiliate.

Advisors affiliated with other registered investment advisory firms must provide to their clients that firm's Form ADV Part 2A and advisory agreements and disclosures. To inquire as to whether your Advisor is affiliated with a separate registered investment advisory firm, it will be listed on their Form ADV 2B, a copy of which they are required to provide to you, or you may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org).

## Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

### **Code of Ethics**

As an investment adviser, Lincoln Investment has established a Code of Ethics under which all Lincoln Investment supervised employees and Advisors must comply. In our capacity as an investment adviser, Lincoln Investment owes a fiduciary duty to our investment advisory clients and is held to legal standards under applicable federal and state securities laws. Lincoln Investment has a fiduciary responsibility to (1) provide investment advice that the advisor believes is in the best interest of the client; (2) place clients interest above the interests of Lincoln and your advisor by providing full and fair disclosure of all material facts and conflicts of interest to clients, and (3) conduct all personal securities transactions consistent with Lincoln's Code of Ethics.

Lincoln's Advisors are held to a professional standard that requires them to avoid any abuse of their position of trust and responsibility, not take inappropriate advantage of their positions, comply with applicable securities laws and regulations, and maintain confidentiality of client's financial circumstances.

You may request a full copy of Lincoln's Code of Ethics from your Advisor or Lincoln Investment's Compliance Department at (800) 242-1421, ext. 4300.

### **Participation or Interest in Client Transactions and Personal Trading**

Lincoln Investment, its Advisors, members of the Investment Management & Research team, and employees may buy or sell for themselves securities that are also recommended to clients. With the exception of its Insider Trading policies and procedures, Lincoln Investment does not impose on itself or any person associated with it any restrictions in connection with the purchase or sale, directly or indirectly, of investments for his or her own account. Lincoln Investment requires that Advisors disclose conflicts of interest to you if an investment product is recommended in which Lincoln Investment or the Advisor has a material financial interest.

For all portfolios on which Lincoln Investment or your Advisor have discretionary authority, the Advisor and his or her employees must give priority to client securities purchases and sales over their own personal transactions in the same security. This means that any transaction by the Advisor or his/her employee must be placed either simultaneously with your transaction (i.e., aggregating the orders and sharing in the same price and execution costs) or after all client trades are placed on the same trading day. While the latter will not guarantee that you will receive the best price, it does establish that the client trades will occur at the same time as or before that of the Advisor or his/her employees. At no time may an Advisor participate in the profits or losses of an investor's account. Personal trading accounts of Advisors are reviewed by Lincoln Investment to ensure compliance.

## Item 12: Brokerage Practices

### **Lincoln Investment as Broker-Dealer/Custodian**

Lincoln's largest advisory offerings are custodied on our clearing and custodial platform, the SOLUTIONS Premier platform. This allows us to manage and control the costs associated with your accounts. As the platform utilizes exclusively mutual funds, we direct trades to Charles Schwab & Co. or directly to the fund company through either a private transmission or NSCC (National Securities Clearing Corporation). Please also refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure for further information regarding Lincoln's conflicts of interests as a broker-dealer.

### **Use of Other Broker-Dealers/Custodians**

Some advisory services offered by Lincoln Investment specify one or more custodians or clearing firms where the assets must reside in order for the advisory services to be engaged. For many of these services, this allows Lincoln Investment the capability to have ongoing access to the assets for trading and viewing purposes. In order to be considered as a custodian for purposes of carrying and executing transactions, Lincoln Investment will review the reasonableness of the firm's execution reports, fees and transaction costs. Lincoln's SOLUTIONS Platform imposes an annual platform fee that covers all trading and administrative costs of your account. Other custodians have their own platform, administrative and trading costs for which you will be subject. Lincoln recommends a custodian based on many factors, trading costs being only one factor. We cannot guarantee that the platform recommended to you will be the lowest cost platform for you. Your advisor will recommend a platform based on the type of account you wish to open (brokerage or advisory), the type of securities you wish to invest in (mutual funds only or exchange traded securities), and where suitable advisory programs are available.

When Lincoln Investment is recommending that your account and your transactions be placed with our broker-dealer or another broker-dealer, you may not receive the most favorable execution on your transactions, which may cost you more money. Not all investment advisors require the use of a specific broker-dealer/custodian.

Please consult with your Advisor regarding which broker-dealer/custodians may be required for the advisory service(s) you wish to select or invest. Brokerage or custodial account fees and/or transaction charges, if any, are disclosed to you at the time your account is established. Lincoln Investment shares in fees from certain clearing firms, such as Charles Schwab & Co. and Pershing LLC. Please refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure for information regarding Lincoln's conflicts of interests when accounts are held on our SOLUTIONS platform or at Pershing.

### **Trade Aggregation Policy**

Offering advisory services to clients includes an obligation on the part of Lincoln Investment and its Advisors to ensure that the allocation of investment opportunities or trades among its various client accounts, as well as accounts in which it (or its affiliates) has a proprietary interest, is performed in a manner that is fair and equitable in its treatment of all clients and, wherever possible, avoids conflicts of interest.

Therefore, Lincoln Investment has adopted an Aggregated Trade Allocation Policy to be used by Advisors and Lincoln who have been granted discretionary authority by clients when placing orders in the same security on the same day for one or more clients or accounts. By aggregating orders, Advisors ensure that all clients receive that same price for the security on the same day. This policy is intended to prevent favoritism of one client over another and establish a rational and predictable fashion for the allocation of trade pricing on a given day for a given security.

Trades in the following situations will typically be aggregated:

- Lincoln or the Advisor recognizes ahead of time that he/she will be buying or selling the same security in more than one client account on the same day;
- Lincoln or the Advisor reasonably believes that aggregating may facilitate a better execution price for all clients; and
- The securities involved are exchange-traded rather than open-ended funds or annuity sub accounts.

Trades in the following situations will *not* typically be aggregated:



- Where prohibited by or inconsistent with the client's investment management agreement;
- The trade is a result of the implementation of a change of investment strategy for a specific client;
- The trade is part of a new client's account allocation;
- The trade is a result of rebalancing to an asset allocation policy pursuant to an account review with the client; and/or
- Lincoln or the Advisor reasonably believes that aggregating orders would adversely impact price and/or best execution for the client.

If the security to be purchased in aggregate cannot be obtained in the total quantity required, the allocation of that security will be made on a pro rata basis determined by the ratio of the quantity obtained to the share quantity required to implement the investment strategy. Each client would participate in the order at the average price for all of the transactions on a given day. The transaction cost to all advisory clients shall be the standard ticket charge for the aggregated order.

If implementing the trade requires transactions over several days, each day's execution shares and average price on all executions for that day shall be allocated by the end of each trading day or no later than the next trading day. In the course of executing an aggregated trade, a list of clients' accounts and shares to be bought or sold is to be prepared. This is to be used in allocating the trade and the list is to be kept as a record with the original aggregated trade order. Allocation of shares, prices, and costs shall be done on a timely basis, in no event to exceed 24 hours following execution. Lincoln Investment and your Advisor shall not receive any additional compensation for aggregating trades.

With respect to mutual fund only Asset Management Program Model Portfolios managed on a discretionary basis by Lincoln on the SOLUTIONS Premier platform, when a re-allocation or rebalance of a portfolio is to occur, certain Asset Management Programs are of a size that the firm is unable to administratively trade all models in the Asset Management Program on the same day. The firm in these situations has established an Advisory Program Rotation Policy, whereby the firm will assign some of the Advisory Program models to be traded on day one and the remainder of the Advisory Program models to be traded on day two. The firm will alternate the model portfolios that are traded on day one and day two with each subsequent allocation and /or rebalance to ensure fair and equitable pricing opportunities to all clients over time.

### **Item 13: Review of Accounts**

#### **Account Review Policies and Procedures**

Your Advisor is responsible to ensure that the recommended advisory service is in your best interest. Many of our programs are managed to defined levels of risk, so choosing the appropriate risk level or tolerance for market fluctuation and potential loss of investment is an important part of your decision. Furthermore, the Advisor Fee portion of your fees compensates your Advisor for his or her services. If Lincoln Investment or your Advisor have been granted full discretionary trading authority over your advisory account, Lincoln Investment or your Advisor will provide ongoing monitoring and will make changes in your account as deemed necessary. For all other non-discretionary advisory accounts, you and your Advisor will review your advisory account's objectives, investments and performance relative to your objectives and financial situation at least annually to allow your Advisor the opportunity to recommend changing or maintaining the objectives or investments in your account. It is important therefore that you take the time to speak with your Advisor regarding your financial objectives and needs and particularly when there is a material life event that could affect or change your investment objectives or financial needs.

A Supervising Principal will review all advisory recommendations and financial plans prepared by your Advisor and will also provide an oversight of the recommendations and trading activities occurring in your account. If you have any questions about the trading or recommendations in your account, please call your Advisor's Designated Supervisor.

Lincoln's Investment Management & Research (IM&R) team routinely reviews the advisory services managed, sponsored, and/or offered by Lincoln's Sub-Advisers. A description of the IM&R team is provided in the supplement at the end of this brochure. The IM&R team performs the following roles on Lincoln's behalf:

- The management of all Lincoln-Managed Model Portfolios;
- The selection of advisory services offered by Lincoln;
- The monitoring of Sub-Advisers and Third Party Money Managers offered by Lincoln;
- The removal of Sub-Advisers and Third Party Money Managers advisory services offered by Lincoln;
- The comparison of advisory results to predetermined benchmarks to monitor whether the investment advisers' offerings are providing value to clients.

### **Written Reports**

At minimum, you will receive a quarterly account statement from the custodian who carries your account. This statement will reflect all transactions that have occurred in your account as well as identify any fees, including the advisory fee, deducted from your account. This is the most important statement you will receive and should be reviewed immediately upon receipt to ensure accuracy in your holdings and transactions.

Some Advisors and advisory services may also provide you supplemental advisory reports which may include performance reports, aggregated account reviews, or a portfolio snapshot. These supplemental reports, typically generated on a quarterly, semiannual or annual basis, are made available to you either electronically or will be delivered to you. These supplemental reports are provided as a service to you and should not replace your custodial statement(s). We urge you to compare these supplemental reports to the account statements you receive. If you find any discrepancies, please contact your Advisor or Lincoln.

### **Item 14: Client Referrals and Other Compensation**

On occasion, Lincoln Investment permits an Advisor to compensate an outside party (for example, an attorney or an accountant) for client referrals to one of our advisory services. The outside party must execute a Solicitor Agreement with Lincoln, and you will receive a Solicitor Disclosure Statement at the time of the referral describing the relationship and portion of your advisory fee that will be paid by us to the Solicitor.

### **Item 15: Custody**

Lincoln, as a broker-dealer, is deemed a "qualified custodian" under broker-dealer regulations and Rule 206(4)-2 ("Custody Rule") of the Investment Advisers Act of 1940. As such, Lincoln Investment is qualified custodian for any assets on the SOLUTIONS platform. The Custody Rule requires investment advisors with custody of client securities or funds to establish and enforce controls designed to protect client assets from being lost, misused or misappropriated.

In accordance with the Custody Rule, Lincoln Investment is required to undergo an annual internal control audit and an annual surprise examination by a PCAOB independent public accounting firm whose responsibility it is to verify investor assets; to ensure investor account statements are sent directly to investors; and to obtain an internal control report to the firm relating to the custody of client assets.

You may have your advisory assets held at a qualified custodian other than Lincoln. You should receive, at minimum, a quarterly statement from the qualified custodian(s) of your advisory assets. We urge you to carefully review these statements and compare them to any reports provided to you by Lincoln Investment or your Advisor. The information in these reports may vary from your custodial statements based on accounting procedures and reporting dates. Please contact your Advisor or Lincoln Investment regarding any statement discrepancies.

#### **Item 16: Investment Discretion**

Depending on the advisory service chosen, Lincoln Investment, its Advisors, or a third party money manager may have discretionary authority to determine which securities shall be bought and sold, and the total amount to be bought or sold in your advisory account(s). This authorization does not grant Lincoln Investment or its Advisors the right to withdraw any funds or securities from your advisory account(s), except as specifically authorized in your advisory agreement for the deduction of advisory fees. Your advisory agreement or account application will identify if you are giving discretionary trading authority for your advisory account(s) to Lincoln, your Advisor, or a third party money manager.

#### **Item 17: Voting Client Securities**

Lincoln Investment and its Advisors may not, and do not, accept authority to vote clients' proxies for any securities in an advisory or non-advisory service.



**Lincoln Investment Planning, LLC (Lincoln Investment)**

601 Office Center Drive  
Fort Washington, PA 19034  
Phone: (800) 242-1421

**Investment Management & Research**

Stephen T. Mayhew, CFA, CPA, CFP®  
Shashi Mehrotra, CFA  
Christopher J. Surrichio, CFA  
Gerald E. Burhop, CFA  
Brian Moran

March 30, 2020

This brochure supplement provides you with information about the five (5) members of the Investment Management & Research (IM&R) team of Lincoln Investment who have the most significant day-to-day management responsibilities for the Lincoln Investment managed portfolios. This information supplements the information contained in the Lincoln Investment Form ADV 2A and/or Wrap Fee Program brochure, which you should have received.

Please contact Deirdre Koerick, Chief Compliance Officer of Lincoln Investment, at (800) 242-1421 if you did not receive the applicable brochure or if you have any questions about the contents of this supplement.

Additional information about each of the members of the IM&R team is available through the U.S. Securities and Exchange Commission at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Stephen T. Mayhew, CFA, CPA, CFP®**

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1957

### **Education**

Master of Business Administration, Drexel University, 1984

Bachelor of Science, Business, Pennsylvania State University, 1979

### **Business Experience**

Capital Analysts, LLC, June 2012 – Present, Senior Vice President and Chief Investment Officer

Capital Analysts, LLC, June 2012 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2012 – Present, Investment Adviser Representative and Registered Representative

Capital Analysts, Incorporated, 1986 – June 2012, Senior Vice President

### **Professional Licenses/Designations**

Mr. Mayhew holds general securities principal, general securities representative, commodities, and research analyst licenses with Lincoln, as well as through its affiliated RIA, Capital Analysts, LLC. Mr. Mayhew is also registered with the National Futures Association. In addition, Mr. Mayhew maintains the following professional designations:

#### *Chartered Financial Analyst (CFA)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

#### *Certified Public Accountant (CPA)*

Certified Public Accountant (CPA) is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA. Individuals who have passed the Exam but have not either accomplished the required on-the-job experience or have previously met it but in the meantime have lapsed their continuing professional education are, in many states, permitted the designation "CPA Inactive" or an equivalent phrase. In most U.S. states, only CPAs who are licensed are able to provide the public attestation (including auditing) opinions on financial statements. The exceptions to this rule are Arizona, Kansas, North Carolina and Ohio where, although the "CPA" designation is restricted, the practice of auditing is not.

#### *Certified Financial Planner (CFP®)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: Certified Financial Planner Board of Standards, Inc.

Prerequisites/Experience Required: A candidate must meet the following requirements; A bachelor's degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience.

Educational Requirements: Candidate must complete a CFP-board registered program, or hold one of the following: CPA, ChFC, CLU, CFA, Ph.D. in business or economics, Doctor of Business Administration, or a bar admission

Examination Type: CFP Board of Standards 10 hour board exam  
Continuing Education/Experience Requirements: 30 hours every two years

### **DISCIPLINARY INFORMATION**

Mr. Mayhew has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Lincoln Investment and Capital Analysts, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts, LLC. Compensation to Lincoln Investment or Capital Analysts, LLC may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

### **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Mayhew is Denis Houser, President and CEO of Capital Analysts, LLC. Mr. Houser or his designee is responsible to review the duties, responsibilities and trading of Mr. Mayhew and the Investment Management & Research team. If you have any questions about the trading or allocations in your account, please contact Mr. Houser at (215) 887-8111 ex. 4619.

## **Shashi Mehrotra, CFA®**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1966

#### **Education**

Master of Business Administration, Florida Atlantic University, 1994

Bachelor of Engineering, Osmania University, 1989

#### **Business Experience**

Lincoln Investment Planning, LLC, May 2019 – Present, Senior Vice President and Chief Investment Officer

Lincoln Investment Planning, LLC, June 2019 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, January 2017 – Present, Registered Representative

Legend Advisory, LLC, April 2011 – September 2019, Investment Adviser Representative

Legend Equities Corporation, January 1996 – January 2017, Registered Representative

Legend Advisory, LLC, July 1995 – September 2019, Chief Investment Officer /Chief Operating Office

#### **Professional Licenses/Designations**

Mr. Mehrotra holds general securities principal and general securities representative licenses with Lincoln.

In addition, Mr. Mehrotra maintains the following professional designation:

*Chartered Financial Analyst CFA®*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute;

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Education Requirements: Self-study program (250 hours of study for each of the three levels)

Exam Type: Three course exams

Continuing Education Requirements: None

### **DISCIPLINARY INFORMATION**

Mr. Mehrotra has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

Mr. Mehrotra sits on the Investment Management Committee of other registered investment advisers, including AMA Global Family Investment Office, LLC, where he participates in quarterly meetings that include discussions on the markets and economies. Mr. Mehrotra also sits on the Board of Directors of Clear Water Plasma, a water-engineering company, where he assists with strategic financial and investment decisions. You are under no obligation as an investment advisory client to purchase any outside products or services that Mr. Mehrotra may offer.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases,

participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment. Compensation to Lincoln Investment may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Mehrotra is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Mehrotra. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.



## **Christopher J. Surrichio, CFA**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1970

#### **Education**

Bachelor of Arts, Economics, Boston College, 1992

#### **Business Experience**

Capital Analysts, LLC, June 2012 – Present, Vice President and Portfolio Manager

Capital Analysts, LLC, June 2012 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2012 – Present, Investment Adviser Representative and Registered Representative

Capital Analysts, Incorporated, 2002 – June 2012, Vice President

#### **Professional Licenses/Designations**

Mr. Surrichio holds general securities principal, general securities representative and research analyst licenses with Lincoln, as well as through its affiliated RIA, Capital Analysts, LLC.

In addition, Mr. Surrichio maintains the following professional designations:

*Chartered Financial Analyst (CFA)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

### **DISCIPLINARY INFORMATION**

Mr. Surrichio has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Lincoln Investment and Capital Analysts, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Surrichio has no other business activities to report.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Surrichio is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Surrichio. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.

## **Gerald E. Burhop, CFA**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1964

#### **Education**

Master of Business Administration, Finance, Temple University, 1998

Bachelor of Science, Agricultural Journalism/Advertising, University of Wisconsin-Madison, 1988

#### **Business Experience**

Lincoln Investment Planning, LLC, 2002 – Present, Vice President and Portfolio Manager

Lincoln Investment Planning, LLC, 2000 – Present, Investment Adviser Representative and Registered Representative

Lincoln Investment Planning, LLC, March 1999 – 2002, Mutual Fund Financial Analyst

Capital Analysts, LLC, 2014 – Present, Investment Adviser Representative

#### **Professional Licenses/Designations**

Mr. Burhop holds general securities principal and general securities representative licenses with Lincoln, as well as through its affiliated RIA, Capital Analysts, LLC.

In addition, Mr. Burhop maintains the following professional designations:

##### *Chartered Financial Analyst (CFA)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

##### *Certificate in Investment Performance Measurement (CIPM)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Two years of professional experience “substantially entailing performance-related activities,” or four years of investment industry work experience

Educational Requirements: Self-study program (100 or more hours of study for each of the two levels)

Examination Type: Two level exams (Principles and Expert)

Continuing Education/Experience Requirements: None

### **DISCIPLINARY INFORMATION**

Mr. Burhop has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Lincoln Investment and Capital Analysts, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Burhop has no other business activities to report.

## **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Burhop is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Burhop. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.

## **Brian Moran**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1967

#### **Education**

Master of Business Administration, Drexel University, 2012

Bachelor of Science, Economics, University of Pennsylvania, 1990

#### **Business Experience**

Capital Analysts, LLC, June 2012 – Present, Institutional Trading Manager

Capital Analysts, LLC, June 2012 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2012 – Present, Investment Adviser Representative and Registered Representative

Capital Analysts, Incorporated, 2001 – June 2012, Institutional Trading Manager

#### **Professional Licenses/Designations**

Mr. Moran holds general securities principal, general securities representative, municipal securities principal, and options principal licenses with Lincoln, as well as through its affiliated RIA, Capital Analysts, LLC.

### **DISCIPLINARY INFORMATION**

Mr. Moran has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Lincoln Investment and Capital Analysts, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Moran has no other business activities to report.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

### **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Moran is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Moran. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.